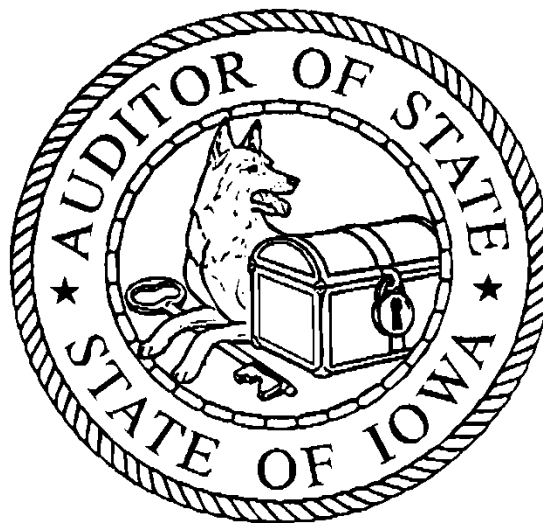


COMMUNITY COLLEGE AUDIT PROGRAM GUIDE

For the year ended June 30, 2016



MARY MOSIMAN, CPA
AUDITOR OF STATE

COMMUNITY COLLEGE AUDIT PROGRAM GUIDE**COMMUNITY COLLEGE** **Sample College** **June 30, 2016****FILE INDEX**

<u>N/A</u>	<u>Incl.</u>	
_____	_____	Audit Planning
_____	_____	Planning Conferences
_____	_____	Internal Control
_____	_____	Review of Minutes
_____	_____	College's June 30 Financial Statements/Reports
_____	_____	Planning Materiality
_____	_____	Analytical Procedures
_____	_____	Time Budget and Progress Reports
_____	_____	Audit Program
_____	_____	Audit and Accounting Problems
_____	_____	Conferences (including Exit)
_____	_____	Items for Comment
_____	_____	Items for Next Year
_____	_____	Representation Letter
_____	_____	Attorney's Letter
_____	_____	Audit Difference Evaluation
_____	_____	Opinion, Disclosure and Other Report Information, Including Draft Management Discussion and Analysis
_____	_____	Confirmation Control
_____	_____	W/P Copies Given to Client and Outside Parties
_____	_____	Pending Matters/Status of Prior Year Comments
_____	_____	Review Notes - deleted by _____ Date_____
_____	_____	Incharge Review Questionnaire
_____	_____	Manager Review Questionnaire
_____	_____	Independent Reviewer Questionnaire
_____	_____	Prior Year Audit Report
_____	_____	Code Compliance

COMMUNITY COLLEGE Sample College

June 30, 2016

AUDIT PLANNING

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives: A. Plan and document planning of audit. B. Consider Single Audit implications. C. Determine preliminary planning materiality. D. Consider the effect on financial statements of non-compliance with laws and regulations. E. Perform risk assessment procedures and assess risk of material misstatement of the financial statements. F. Determine audit approach. Audit Procedures: A. Job number _____					
B. Assigned staff: _____ Independent? _____ Manager _____ Incharge _____ Staff _____ _____ _____ _____ _____ _____	A				
C. Timing: _____ Planned Date _____ Actual Date _____ Begin fieldwork _____ Complete fieldwork _____ To Manager _____ College Contact Name: _____ Telephone: _____ Email: _____	A				
D. Obtain and file the engagement letter. (AU-C 210.09)					

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT PLANNING**

PROCEDURE		OBJ.	DONE BY	W/P REF	N/A	REMARKS
E.	If prior year audit was performed by another firm (AU-C 510):	A				
	<ol style="list-style-type: none"> Obtain and review a copy of the Independent Auditor's Reports on the financial statements, compliance and internal control. Obtain copies of appropriate workpapers. Make the appropriate inquiries of the predecessor auditor. Review and document, as necessary, evidence of opening balances. Firm: _____ Contact Person: _____ Telephone: _____ 					
F.	Review prior year audit report, planning memorandum and other working papers.	A,B,E				
	<ol style="list-style-type: none"> Note any departures from an unmodified opinion. Note any specific areas of comment in the prior audit report. Determine if appropriate corrective action was taken and document current status. Note any areas of special emphasis recommended for this year's audit by the prior auditor. Note items for next year's audit in the prior year's workpapers and document in the current year workpapers how these items were addressed. Note any non-report comments affecting this year's audit and document the status of the non-report comments.. 					
G.	Inquire as to the existence of findings and recommendations from any previous audits, attestation engagements, performance audits, or other studies (for example – Federal audits, program audits, IT (information technology) audits, reviews by state agencies, etc.) that have been performed and determine the current status of any findings or recommendations identified that may directly affect the risk assessment and audit procedures in planning the current audit. (GAS Chapter 4.05 and AU-C 935.16)					

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT PLANNING**

PROCEDURE		OBJ.	DONE BY	W/P REF	N/A	REMARKS
H.	Review permanent file, determine status of the following and update as necessary: <ol style="list-style-type: none"> 1. Identification of the financial reporting entity and compliance with GASB 14, as amended by GASB 39 and 61. <ol style="list-style-type: none"> a. Identify the primary government. b. Identify and document consideration of component units. c. For an entity identified which is not incorporated, determine if the entity is an unincorporated nonprofit association pursuant to Chapter 501B of the Code of Iowa and report accordingly. d. Identify and document relationships with organizations other than component units. 2. Nature of business and legal environment. 3. Applicable state and federal regulations. 4. Administrative and accounting personnel. 5. As applicable, federal program personnel. 6. Organization chart. 7. Chart of accounts and accounting manual. 8. Use of outside service organizations. 9. Use(s) of information technology (IT) systems. 10. Methods used to process significant accounting information. 11. Long-term leases, contracts and commitments. 12. List of officials and terms. 	A,B,F				
I.	Conduct entrance conference. Discuss and document pertinent information.	A,B				
J.	Request the College assemble all necessary information, records and documents.	A,B,F				
K.	Determine if there are any audit issuance deadlines included in the continuing disclosures required under SEC Rule 15c2-12. If applicable, review the debt filings on the Electronic Municipal Market Access (EMMA) System (www.emma.msrb.org).					

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT PLANNING**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>L. Determine if the engagement is an audit of group financial statements. If applicable, follow the guidance in AU-C 600, including, but not limited to:</p> <ol style="list-style-type: none"> 1. Identifying components. 2. Developing an overall audit strategy and audit plan for the group audit. 3. Gaining an understanding of the group and its components and environments, including understanding: <ol style="list-style-type: none"> a. Group-wide controls. b. The consolidation process. 4. Determining if components are considered significant, either individually financially significant or likely to include significant risks to the group financial statements. 5. Gaining an understanding of component auditors. 6. Deciding if the audit report will refer to the component auditor's work. 7. Determining materiality levels for the group financial statements as a whole and component materiality levels. 8. Applying further audit procedures to the consolidation process. 9. Subsequent events occurring between the dates of the financial information of the components and the date of the auditor's report on the group financial statements. 10. Communicating the group auditor requirements to the component auditor. 11. Evaluating the sufficiency and appropriateness of audit evidence obtained. 12. Communicating with group management and those charged with governance of the group. 	A,C,E,F				
<p>M. Determine the extent of involvement, if any, of consultants, specialists or internal auditors. Where applicable, follow the appropriate guidance:</p> <ol style="list-style-type: none"> 1. AU-C 610 "Auditor's Consideration of the Internal Audit Function". 	A				

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT PLANNING**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>2. Auditor's Specialist (AU-C 300.12, AU-C 620 and <u>Government Auditing Standards</u>, Chapters 6.42-.44) - Consider whether specialized skills, including professionals possessing information technology (IT) skills, are needed in performing the audit and seek such assistance if considered necessary.</p> <p>3. Management's Specialist (AU-C 500.08) - Include appropriate statement in the management representation letter. Examples of the use of a specialist include:</p> <p>a. An actuary used to determine incurred but not reported (IBNR) claims for a self-insurance fund.</p> <p>b. An actuary used to determine amounts for other postemployment benefits (OPEB).</p> <p>N. Inquire about related party transactions.</p> <p>O. Minutes:</p> <p>1. Review minutes through most recent meeting and document significant Board action, including subsequent events.</p> <p>2. Determine and document if minutes were signed.</p> <p>3. Determine, on a test basis, if meetings were preceded by proper notice in accordance with Chapter 21.4 of the Code of Iowa.</p> <p>4. Determine if minutes document the Board followed proper proceedings for any closed sessions in accordance with Chapter 21.5 of the Code of Iowa.</p> <p>a. The session was closed by affirmative roll call vote of at least two-thirds of the members.</p> <p>b. The specific exemption under Chapter 21.5 of the Code of Iowa was identified and documented.</p> <p>c. Final action was taken in open session.</p> <p>5. Determine if the minutes show information sufficient to indicate the vote of each member present as required by Chapter 21.3 of the Code of Iowa.</p> <p>6. Look for Board approval or mention of contracts or agreements having 28E characteristics. Then refer to the 28E subsection in the "Audit Planning" section of audit program.</p> <p>P. Obtain copy of College's June 30 financial statements/reports.</p>	<p>A,F</p> <p>A,E,F</p> <p>A</p>				

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT PLANNING**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Q. Document compliance with <u>Government Auditing Standards</u> conceptual framework for nonaudit services, if any.	A				
R. Determine if the College was a party to a government combination (merger or acquisition) or had a disposal of operations. If applicable, determine if activity is properly disclosed and reported in accordance with GASB 69.					
S. Discuss with the engagement team the significance of threats to management participation or self-review and emphasize the risks associated with those threats.					
T. 28E Organizations:					
1. Determine if the College was a member of a Chapter 28E organization of the Code of Iowa with gross receipts in excess of \$100,000 in a fiscal year.					
2. If so, determine if arrangements have been made for an audit of the 28E organization in accordance with Chapter 11.6 of the Code of Iowa.	B,C				
3. Review the College's policies and procedures for entering into 28E contracts or agreements.					
4. Inquire of College officials if any 28E contracts or agreements were entered into during the current fiscal year.					
U. Determine and document judgments about materiality levels by opinion units (AAG-SLV 4.23). If done at interim, update materiality levels as of year end.					
1. Opinion units in the College's basic financial statements are (as applicable):					
a. By each major fund.	A,E,F				
b. By governmental or business type activities.					
c. Aggregate remaining fund information.					
d. Discretely presented component units.					
e. Transaction class, account balance or disclosure, if necessary. (AU-C 320.14)					
2. Materiality level for each major federal program. If done at interim, update materiality levels as of year end.	A,E,F				
V. Apply preliminary analytical procedures.					
1. Compare current year information to information with a plausible relationship.					
2. Identify expectations and document basis of expectations.					

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT PLANNING**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
3. Identify unusual or unexpected balances or relationships.					
4. Determine if matters identified indicate a higher risk of material misstatement. If higher risk is indicated, adjust audit approach accordingly.					
W. Prepare all necessary confirmation requests for mailing.					
X. Send attorney's letter to attorneys and other lawyers consulted on significant matters during the period. Send the letter early during field work with a requested response date one week prior to estimated completion of field work.					
Y. Determine and document an audit strategy based on determination of audit risk (AU-C 240, AU-C 315.26-.27, AU-C 320 and AU-C 935.20).	A,B,E,F				
Z. Internal Control:					
1. Obtain and document an understanding of the internal controls, including those relating to overall compliance	A,B,D,E, F				
a. Determine and document whether these internal controls have been implemented.					
b. Assess control risk for relevant financial statement assertions related to each significant account balance or transaction class, including those relating to overall compliance with laws and regulations having a direct and material effect on the financial statements.					
1) Identify those financial statement assertions for which tests of controls need to be performed and design and perform the appropriate tests of controls.					
2) Document conclusions concerning the assessed level of control risk for the assertions in the working papers.					
c. Obtain and document an understanding of any department's separately maintained records if they are of a significant amount and outside the normal transaction cycle.					

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT PLANNING**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<ul style="list-style-type: none"> d. If the College uses a service organization to process transactions for the College (i.e. payroll processing, bank trust department that invests and holds assets for employee benefit plans, organizations that develop, provide and maintain software for user organizations, etc.), follow AU-C 402 to consider and document the effect the service organization has on the internal control of the College (user organization), related control risk assessments and the availability of evidence to perform substantive procedures. e. Obtain and document an understanding of the College's credit card collections and compliance with PCI (Payment Card Industry) Data Security Standards. <ul style="list-style-type: none"> 1) Determine credit card security policies have been documented and established. 2) Determine self-assessment measures have been completed. f. Obtain and document an understanding of the internal audit function to determine whether the internal audit function is likely to be relevant to the audit. (AU-C 315.24) <p>2. Major federal programs:</p> <ul style="list-style-type: none"> a. Obtain and document an understanding of the internal controls relevant to the compliance requirements applicable to all major federal programs. b. Determine and document whether these controls have been implemented. c. Assess control risk. (The auditor should plan for a low level of control risk). d. Perform tests of controls over each major program, regardless of whether or not choosing to obtain evidence to support an assessment of control risk below maximum. e. Include lack of or ineffective controls as significant deficiencies or material weaknesses in the report on the internal control. 					

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT PLANNING**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
3. If steps Z(1) and Z(2) are done at interim, determine if tests of controls and assessments of control risk can be extended to year end: a. Apply the following procedures for the internal control work done: 1) Ask whether there have been any changes to internal controls, including federal controls, since interim. Also consider whether any changes are apparent from substantive (or other) tests done after interim. 2) Consider the significance of any changes. 3) Obtain audit evidence about the nature and extent of any changes. b. If considered necessary based on the above procedures, perform additional tests of controls and update risk assessments.	A,D,F				
AA. Document the auditor's consideration of the risk of material misstatement due to abuse. If indications of abuse exist, plan audit procedures to determine whether abuse has occurred and the effect on the financial statements. (GAS Chapter 6.34)	E				
BB. Consideration of compliance with laws and regulations (GAS Chapter 6.28, AU-C 250.12, AU-C 250.14) 1. Identify and obtain an understanding of the legal and regulatory framework applicable to the College and how the College is complying with the framework. 2. Identify possible instances of noncompliance with laws and regulations that may have a material effect on the financial statements: a. Inquire of management and, when appropriate, those charged with governance, about whether the College is in compliance with such laws and regulations. b. Inspect correspondence, if any, with relevant licensing or regulatory authorities.	D				
CC. Modify/expand on audit program guide, as necessary. The program should be responsive to the critical audit areas and other areas of concern noted in the audit planning, the analytical procedures performed on the financial statements and the understanding obtained of the College's internal controls.	A,F				

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT PLANNING**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
DD. Immediately contact the Manager if fraud or embezzlement is suspected. Ensure the appropriate officials are notified after contacting the Manager. Chapter 11.6 of the Code of Iowa requires a CPA firm and the College to notify the Auditor of State immediately regarding any suspected embezzlement, theft or other significant financial irregularities. If federal funds are involved, the appropriate U.S. Regional Inspector General should be notified.					
EE. Prepare audit time budget.					
FF. Discuss planning phase with the Manager and document conclusions.	A				
<u>ALTERNATE/ADDITIONAL PROCEDURES:</u>					
<u>CONCLUSION:</u>					
We have performed procedures sufficient to achieve the audit objectives for audit planning and the results of these procedures are adequately documented in the accompanying workpapers.					
Incharge _____ Date _____					
Manager _____ Date _____					
Independent Reviewer _____ Date _____					

COMMUNITY COLLEGE Sample College

June 30, 2016

AUDIT STRATEGY

The attached audit strategy is to be used to document the following:

- Auditor's understanding of certain preliminary information regarding the College and its environment for planning the audit.
- Auditor's fraud risk assessment, including identification of fraud risk factors.
- Identification of material account balances and classes of transactions.
- Determination of the risk of material misstatement at the financial statement and relevant assertion level.
- Auditor's response to the risks identified.
- Identification of the federal programs.
- Determination of major federal programs and the applicable compliance requirements.
- Applicability of account balances and classes of transactions to federal programs.

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT STRATEGY**

PROCEDURE	YES	NO	REMARKS
1. Did the prior year report on the financial statements include departures from an unmodified opinion?			
2. Did the prior year audit identify any significant deficiencies or material weaknesses?			
3. Have various account balances or transactions required significant adjustments in prior audits?			
4. Was the approach in the prior year primarily substantive?			
5. Were any significant errors or instances of fraud noted in the prior audit?			
6. Is there any indication there could be substantial doubt about the College's ability to continue as a going concern?			
7. Does the audit require special expertise?			
8. Are specialized skills needed to determine the effect of IT on the audit, to understand the IT controls or to design tests of controls?			
9. Are there any new accounting and/or auditing pronouncements affecting the current audit?			
10. Are there any specialized accounting practices or principles applicable to the College? (i.e. pensions)			
11. Have there been any significant changes in accounting practices for the College?			
12. Are there any economic conditions or recent developments affecting the College's operations? (inflation, interest rates, technological changes)			
13. Do any special regulatory or reporting requirements apply? (Single Audit)			
14. Is the College economically dependent on a major industry or company such that a change in the industry or company, would adversely affect the College?			
15. Has there been a change in state or federal funding that would significantly impact the operations of the College?			
16. Is any aspect of the College profit motivated?			
17. Have there been any significant changes in the functions or responsibilities of the College?			

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT STRATEGY**

PROCEDURE	YES	NO	REMARKS
18. Do the financial statements require use of significant accounting estimates or fair value determinations?			
19. Does the College have multiple locations for significant operations?			

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT STRATEGY**

PROCEDURES	DONE BY	REMARKS
<p>20. Complete the fraud risk assessment form.</p> <p>21. Document the following on the audit strategy form:</p> <ul style="list-style-type: none"> a. Identify material account balances and classes of transactions. Consider planning materiality as well as qualitative matters such as volume of transactions, susceptibility of assets to theft, etc. b. Assess the inherent risk by assertion for each of the material account balances and classes of transactions identified above and document the results. c. Assess control risk. d. Considering the understanding obtained of the College (including its environment and internal controls) and the determination of inherent and control risks, assess the risks of material misstatement (whether due to fraud or error) at the financial statement and relevant assertion levels and assess detection risk. e. Document overall responses to the risks identified and the design of further audit procedures (audit approach). f. If Single Audit is applicable, identify the major federal programs using the Single Audit – Audit Strategy form. g. Identify the material account balances and classes of transactions applicable to major federal programs. h. Identify the compliance requirements applicable to each major federal program. i. Indicate whether test of controls are applicable or comment on whether controls do not exist or cannot be tested. <p>22. Identify other matters considered in determining the audit strategy.</p> <p>23. Identify any matters increasing the risk of material misstatement of the financial statements due to errors, fraud, and other non-compliance.</p>		

COMMUNITY COLLEGE Sample College

June 30, 2016

**AUDIT STRATEGY
RISK ASSESSMENT****I. BRAINSTORMING CONFERENCE**

Date: _____ Date discussed
with manager: _____

Instructions: Members of the audit team are required to discuss the susceptibility of the College's financial statements to material misstatement due to fraud or error. The discussion should include an open exchange of ideas (brainstorming). The discussion should also emphasize the importance of exercising professional skepticism throughout the audit. The discussion may occur prior to, or in conjunction with, other audit planning procedures, but should take place each year. The manager should determine which matters are to be communicated to members of the audit team not involved in the discussion.

If the audit is a Single Audit, completion of this procedure should include consideration of both the audit of the financial statements and the federal awards.

Audit of financial statements	Yes	_____	No	_____
Single Audit	Yes	_____	No	_____

Participants:

Name	Title

1. Describe how the discussion occurred (e.g. face-to-face meeting, conference call)

2. Describe the matters discussed.

COMMUNITY COLLEGE Sample College

June 30, 2016

AUDIT STRATEGY
RISK ASSESSMENT**II. INQUIRIES ABOUT THE RISKS OF FRAUD**

Instructions: Auditors are required to make inquiries of **management** and others about the risks of fraud. Inquiries should be made each year in the planning stage of the audit. This form can be used to document the auditor's inquiries of management and other employees. Conducting one-on-one interviews with members of management and other employees is the most appropriate way of accomplishing the objectives of the inquiry process. Management interviewed should include, at a minimum, all those who sign the management representation letter.

If the audit is a Single Audit, completion of this procedure should include consideration of both the audit of the financial statements and the federal awards. Alternatively, the auditor may wish to complete separate forms.

(A separate form should be used for each person interviewed)

A. Management Personnel Interviewed:

Name	Title	Date
_____	_____	_____
_____	_____	_____
_____	_____	_____

1. Inquire of management about whether it is aware of (1) actual or suspected fraud or (2) any allegations of fraud (e.g., communications from employees or others). Describe.

2. Inquire of management about its understanding of the risks of fraud within the College, including any specific risks identified or account balances or transaction classes where fraud is likely to occur. Describe.

3. Inquire of management about the programs and controls it has established to mitigate fraud risks and how it monitors such programs and controls. Describe.

4. Inquire of the management about the nature and extent of monitoring of operating locations, where applicable, and whether there are particular units for which a risk of fraud may be more likely to exist. Describe.

COMMUNITY COLLEGE _____ **Sample College**

June 30, 2016

AUDIT STRATEGY
RISK ASSESSMENT

5. Inquire of management about whether and how it communicates to employees its views on business practices and ethical behavior. Describe.

6. Inquire of the management about whether it has reported to the audit committee, or its equivalent, on how the College's internal control monitors the risks of material fraud. Describe.

7. Inquire of the management about their compliance with laws and regulations. Describe.

8. Inquire of management about the existence of any agreements containing confidentiality clauses. Describe.

9. Inquire of as to whether the person being interviewed is aware of any abuse (i.e. misuse of authority, unneeded overtime, requesting staff run personal errands, expensive procurement, etc.) Describe.

10. Inquire as to whether the person being interviewed is aware of any College employee or Board member with possible financial pressures (i.e., gambling, excessive shopping, sudden medical expenses, lifestyle changes, etc.).

11. Did information arise from inquiries of management which should be considered further in identifying risks of material misstatement due to fraud?

_____ Yes (Document on Part IV)

_____ No

Comments:

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT STRATEGY**
RISK ASSESSMENT

B. Others Interviewed:

Name	Title	Date
_____	_____	_____
_____	_____	_____
_____	_____	_____

1. Inquire of others within the College (others can include operating personnel not directly involved in the financial reporting process, employees with different levels of authority, employees involved with initiating, recording or processing complex or unusual transactions or in-house legal counsel) about any actual fraud or suspected fraud. Describe.

2. Inquire as to whether the person being interviewed is aware of any abuse (i.e. misuse of authority, unneeded overtime, requesting staff run personal errands, expensive procurements, etc.) Describe.

3. Inquire as to whether the person being interviewed is aware of any College employee or Board Member with possible financial pressures (i.e., gambling, excessive shopping, sudden medical expenses, lifestyle changes, etc.).

4. Did information arise from inquiries of others which should be considered further in identifying risks of material misstatement due to fraud?

_____ Yes (Document on Part IV)

_____ No

Comments:

COMMUNITY COLLEGE Sample College

June 30, 2016

AUDIT STRATEGY
RISK ASSESSMENT

C. Journal Entry Inquiry:

Name	Title	Date
_____	_____	_____
_____	_____	_____
_____	_____	_____

1. Inquire of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. Describe.

2. Did information arise from inquiries of others which should be considered further in identifying risks of material misstatement due to fraud?

_____ Yes (Document on Part IV)

_____ No

Comments:

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT STRATEGY**
RISK ASSESSMENT

D. Audit Committee or Equivalent Personnel Interviewed:

Name	Title	Date
_____	_____	_____
_____	_____	_____
_____	_____	_____

1. Where applicable, inquire of the audit committee or its equivalent, or at least its chair, about (1) its views about the risks of fraud, (2) whether it has knowledge of any actual fraud or suspected fraud and (3) how it exercises its oversight of the College's assessment of risks of fraud and the programs and controls the College has adopted to mitigate those risks. Describe.

2. Did information arise from inquiries of audit committee or equivalent personnel which should be considered further in identifying risks of material misstatement due to fraud?

_____ Yes (Document on Part IV)

_____ No

Comments:

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT STRATEGY**
RISK ASSESSMENT

E. Internal Audit Personnel Interviewed:

Name	Title	Date
_____	_____	_____
_____	_____	_____
_____	_____	_____

1. Where applicable, inquire of internal audit personnel about: (1) their views of the risks of fraud, (2) any procedures they performed to identify or detect fraud during the period under audit, (3) management's response to the findings and (4) whether they have knowledge of any actual fraud or suspected fraud. Describe.

2. Did information arise from inquiries of internal audit personnel which should be considered further in identifying risks of material misstatement due to fraud?

_____ Yes (Document on Part IV)

_____ No

Comments:

COMMUNITY COLLEGE Sample College

June 30, 2016

**AUDIT STRATEGY
RISK ASSESSMENT**

QUESTION	YES	NO	N/A	REMARKS
III. FRAUD RISK ASSESSMENT Instructions: Complete the following questions to document your consideration of risk factors that might indicate an increased risk of material misstatement due to fraud. "Yes" answers do not necessarily indicate an increased risk, but should be considered when assessing the risk of <u>material</u> misstatement due to fraud. If fraud risk factors are present, but other controls exist that compensate for that risk, document the mitigating factors in the remarks column. <u>RISK FACTORS RELATING TO FRAUDULENT FINANCIAL REPORTING</u> A. Incentives/Pressures <ol style="list-style-type: none"> Is there significant pressure on meeting performance targets? Is a significant portion of management's compensation or performance assessment dependent on budgetary goals, program results or other incentives? Do unrealistic performance targets exist? Were there numerous significant budget modifications in prior periods? Is there a lack of formal budgeting policies and procedures? Is the current management unable to make reasonable estimates of tax revenues, expenditures or cash requirements? Has the credit rating for the College's securities been downgraded by an independent agency since the prior period? Do individuals outside of management or the governing body have substantial influence over the operations of one or more College units? Has management set unduly aggressive financial targets and expectations for operating personnel? Is the College subject to new accounting, statutory, or regulatory requirements that could impair its operating efficiency or financial stability? Is the College experiencing rapid changes, such as rapid changes in technology or rapid changes in citizen's service expectations? 				

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT STRATEGY
RISK ASSESSMENT**

QUESTION		YES	NO	N/A	REMARKS
12.	Is the College experiencing a poor or deteriorating financial condition (for example, a declining tax base, declining economy or other anticipated loss of revenue sources)?				
13.	Is the College having difficulty generating cash flows from operating activities?				
14.	Has the College experienced unusually rapid growth or improved financial results, especially when compared to other colleges?				
15.	Is the College highly vulnerable to changes in interest rates?				
16.	Is the College unusually dependent on debt financing?				
17.	Do the College's financing agreements have debt covenants that are difficult to maintain?				
18.	Is the College facing the threat of imminent bankruptcy?				
19.	Is there significant pressure to obtain additional funding to maintain services?				
20.	Is there a high degree of competition for federal or state awards?				
21.	Is there declining federal and state program funding on a national or regional level?				
22.	Is there a declining number of eligible participants, benefit amounts, and/or enrollments in award programs?				
23.	Are there complex or frequently changing compliance requirements?				
24.	Is there a mix of fixed price and cost reimbursable program types that create incentives to shift costs?				
B. Opportunities					
1.	Is management dominated by a single individual or a small group without compensating controls, such as effective oversight by the governing body?				
2.	Does the governing body or management lack understanding or experience regarding the operation or responsibilities of the College?				
3.	Are internal controls inadequately monitored by management?				

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT STRATEGY
RISK ASSESSMENT**

QUESTION	YES	NO	N/A	REMARKS
<p>4. Has management continued to employ ineffective accounting or IT (information technology) personnel?</p> <p>5. Has there been a high turnover in management level employees, bankers, attorneys or auditors?</p> <p>6. Does the level of communication between accounting managers and data processing or IT departments appear to be inadequate?</p> <p>7. Are assets, liabilities, revenues and expenditures/expenses based on significant estimates involving unusually subjective judgments or uncertainties or that could significantly change in the near term in a manner that may be financially disruptive?</p> <p>8. Does the College engage in significant related party transactions not in the ordinary course of business (including transactions with related Colleges that are unaudited or audited by another firm)?</p> <p>9. Does the College have unusual or highly complex transactions (particularly those close to year-end) that are difficult to assess for substance over form?</p> <p>10. Does the College have significant bank accounts in locations for which there does not appear to be a clear business justification?</p> <p>11. Does the College have an overly complex organizational structure involving numerous component units, subrecipients, related organizations, lines of managerial authority or contractual arrangements not having an apparent purpose?</p> <p>12. Does the College have significant relationships with other governments that do not appear to have a clear programmatic or business justification?</p>				
C. Attitudes/Rationalizations				
<p>1. Were there numerous significant audit adjustments in prior periods?</p> <p>2. Is there an excessive interest by management to meet performance targets through the use of unusually aggressive accounting practices?</p> <p>3. Has management failed to effectively communicate and support the College's values or ethics?</p> <p>4. Has management failed to effectively communicate inappropriate business practices or ethics?</p>				

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT STRATEGY
RISK ASSESSMENT**

QUESTION	YES	NO	N/A	REMARKS
<p>5. Has management failed to correct known significant deficiencies or material weaknesses in internal control on a timely basis?</p> <p>6. Has management displayed a significant disregard for regulatory requirements, including, when applicable, federal and state award compliance requirements?</p> <p>7. Does management have a poor reputation?</p> <p>8. Does management have a history of violating laws, regulations, debt covenants, contractual obligations or federal and state award compliance requirements?</p> <p>9. Do non-financial management or personnel excessively participate in the determination of significant estimates or selection of accounting principles?</p> <p>10. Are there frequent disputes on accounting, auditing or reporting matters between management and the current or predecessor auditor?</p> <p>11. Has management made unreasonable demands on the auditor, such as unreasonable time constraints on completion of the audit or an excessive emphasis on reducing the audit fee?</p> <p>12. Has management placed restrictions on the auditor (formal or informal) that inappropriately limit access to people or information (or inappropriately limit communication with the governing body or audit committee)?</p> <p>13. Has management failed to respond to specific inquiries or to volunteer information regarding significant or unusual transactions?</p> <p>14. Has there been domineering behavior by management, especially involving attempts to influence the scope of the auditor's work?</p> <p>15. Are there other situations indicating a strained relationship between management and the current or predecessor auditor?</p> <p>16. Could the College face adverse consequences on a significant pending transaction (such as issuance of debt or receipt of a grant) if poor financial results are reported?</p> <p>17. Does the College have significant investments in high-risk financial investments?</p>				

COMMUNITY COLLEGE Sample College

June 30, 2016

**AUDIT STRATEGY
RISK ASSESSMENT**

QUESTION	YES	NO	N/A	REMARKS
18. Are there any known personal difficulties or other influences in the lives of management that could adversely affect their integrity, attitude or performance?				
19. Do other conditions exist that indicate incentives/pressures, opportunities or attitudes/rationalizations for management to engage in fraudulent financial reporting?				

Do conditions exist which indicate there may be incentives/pressures, opportunities or attitudes/rationalizations for management to intentionally misstate the financial statements?

_____ Yes (Document on Part IV)

_____ No

Comments:

--

COMMUNITY COLLEGE Sample College

June 30, 2016

**AUDIT STRATEGY
RISK ASSESSMENT**

QUESTION	YES	NO	N/A	REMARKS
<u>RISK FACTORS RELATING TO MISAPPROPRIATION OF ASSETS</u>				
A. Incentives/Pressures				
1. Are there any indications management or employees with access to cash or other assets susceptible to theft have personal financial obligations that may create pressure to misappropriate assets?				
2. Are there any conditions that may create adverse relationships between the College and employees with access to cash or other assets susceptible to theft, such as the following:				
a. Known or anticipated future employee layoffs?				
b. Recent or anticipated changes to employee compensation or benefit plans?				
c. Promotions, compensation or other rewards inconsistent with expectations?				
B. Opportunities				
1. Does the College maintain or process large amounts of cash?				
2. Is the College's inventory easily susceptible to misappropriation (such as small size, high value or high demand)?				
3. Does the College have assets easily convertible to cash (such as bearer bonds, etc.)?				
4. Does the College have capital assets easily susceptible to misappropriation (such as small size, portability, marketability, lack of ownership identification, etc.)?				
5. Is the College susceptible to fraudulent, unauthorized disbursements (such as vendor or payroll disbursements) being made in amounts that are material to the financial statements?				
6. Is there a lack of management oversight over assets susceptible to misappropriation?				
7. Does the College lack job applicant screening procedures when hiring employees with access to assets susceptible to misappropriation?				
8. Does the College have inadequate record keeping over assets susceptible to misappropriation?				
9. Is there a lack of appropriate segregation of duties that is not mitigated by other factors (such as management oversight)?				

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT STRATEGY**
RISK ASSESSMENT

QUESTION	YES	NO	N/A	REMARKS
10. Does the College lack an appropriate system for authorizing and approving transactions (for example, purchasing or payroll disbursements)?				
11. Are there poor physical safeguards over assets susceptible to misappropriation (for example, inventory not stored in a secured area, cash or investments kept in unlocked drawers, etc.)?				
12. Is there a lack of timely and appropriate documentation for transactions affecting assets susceptible to misappropriation?				
13. Is there a lack of mandatory vacations for employees in key control functions?				
14. Does management have an inadequate understanding of IT which enables information technology employees to perpetrate a misappropriation?				
15. Are access controls over automated records inadequate (including controls over, and review of, computer system event logs)?				
C. Attitudes/Rationalizations				
1. Do employees who have access to assets susceptible to misappropriation show:				
a. Disregard for the need for monitoring or reducing risks related to misappropriation of assets?				
b. Disregard for internal control over misappropriation of assets by overriding existing controls?				
c. Disregard for internal control over misappropriation of assets by failing to correct known internal control deficiencies?				
2. Do employees who have access to assets susceptible to misappropriation exhibit behavior indicating displeasure or dissatisfaction with the College or its treatment of its employees?				
3. Have you observed any unusual or unexplained changes in behavior or lifestyle of employees who have access to assets susceptible to misappropriation?				

COMMUNITY COLLEGE Sample College

June 30, 2016

AUDIT STRATEGY
RISK ASSESSMENT

Do conditions exist which indicate there may be incentives/pressures, opportunities or attitudes/rationalizations relating to misappropriation of assets?

_____ Yes (Document on Part IV)

_____ No

Comments:

--

List any additional fraud factors or conditions identified as being present. Additional factors may have been identified through inquiry of management in the entrance conference. Also, document any compensating controls.

--

If improper revenue recognition was not identified as a risk of material misstatement due to fraud, describe the reasons regarding how that presumption was overcome.

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COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT STRATEGY**
RISK ASSESSMENT**IV. RESPONSE TO RISKS**

The way the auditor responds to the risks identified during the risk assessment process depends on the nature and significance of the risks identified and on the College's programs and controls that address such risks. The auditor should take into account the various risk assessment procedures performed, including preliminary analytical procedures, brainstorming session, information obtained about the entity and its environment, including internal controls, fraud risk considerations and any other sources providing information about relevant risks. For single audits, the auditor should consider the risk noncompliance may cause the financial statements to contain a material misstatement. Auditors respond to the results of the risk assessment in three ways: (1) an overall response as to how the audit is conducted, (2) specific responses involving modification of the nature, timing, and extent of procedures to be performed and (3) responses to further address the fraud risk of management override of controls.

1. Overall response to financial statement risks – Describe overall risks at the financial statement level that may affect many assertions and the planned response to identified risks. Examples of overall risks include weaknesses in the control environment, changes in management, motivation by management to fraudulently misstate the financial statements, etc. Appropriate responses may include: (1) assignment of personnel and supervision, (2) scrutiny of management's selection and application of significant accounting principles and (3) including an element of unpredictability in audit procedures and tests.

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2. Specific responses to risks – If any risks are considered significant, the risk and the auditor's response to the risk should be included in the risk assessment summary form. For less significant risks, describe your specific responses, if any, to identified risks, including modification of the nature, timing and extent of audit procedures.

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COMMUNITY COLLEGE Sample College

June 30, 2016

AUDIT STRATEGY
RISK ASSESSMENT

3. Response to address management override of controls – Because management override of controls can occur in unpredictable ways, the risk of management override of controls is always an identified fraud risk and the auditor is required to perform certain specified procedures to respond to such risk. These procedures relate to (1) examining journal entries and other adjustments, (2) reviewing accounting estimates for biases and (3) evaluating the business rationale for significant unusual transactions.

See audit program step D on audit program section Trial Balance

See audit program steps M and O on audit program section Completion of Audit

Incharge	_____	Date	_____
Manager	_____	Date	_____
Independent Reviewer	_____	Date	_____

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT STRATEGY
RISK ASSESSMENT SUMMARY**

ACCOUNT BALANCE/ CLASS OF TRANSACTION	MAT. BAL. (y/n)	MAJ. PROG. (y/n)	Inherent Risk				CR	TOC (y/n)	RMM	Allowable DR
			High	Mod	Low	Over all				
Statement of Net Position/ Balance Sheet										
Cash										
Investments										
Taxes Receivable										
Accounts Receivable										
Deferred Outflows of Resources										
Prepaid Expense										
Inventories										
Capital Assets										
Accounts Payable										
Deferred Inflows of Resources										
Other Liabilities										
Compensated Absences										
Long Term Debt										
Other:										

COMMUNITY COLLEGE Sample College

June 30, 2016

**AUDIT STRATEGY
RISK ASSESSMENT SUMMARY**

ACCOUNT BALANCE/ CLASS OF TRANSACTION	MAT. BAL. (y/n)	MAJ. PROG. (y/n)	Inherent Risk				CR	TOC (y/n)	RMM	Allowable DR
			High	Mod	Low	Over all				
Statement of Activities/ Statement of Revenues, Expenditures and Changes in Fund Balances										
Property Tax										
Revenue - Intergovernmental										
Revenue – Proprietary										
Other Revenue										
Expenditures										
Expenditures - Procurement/Credit Cards										
Payroll										
Transfers										
Depreciation										
Financial Reporting (Presentation and Disclosure)										
Other:										

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT STRATEGY
RISK ASSESSMENT SUMMARY**

ACCOUNT BALANCE/ CLASS OF TRANSACTION	IDENTIFIED RISKS and RELEVANT ASSERTION(S)	OPINION UNIT(S) APPLICABLE	RESPONSE TO RISK and AUDIT APPROACH
Statement of Net Position/ Balance Sheet			
Cash			
Investments			
Taxes Receivable			
Accounts Receivable			
Deferred Outflows of Resources			
Prepaid Expense			
Inventories			
Capital Assets			
Accounts Payable			
Deferred Inflows of Resources			
Other Liabilities			
Compensated Absences			
Long Term Debt			
Other:			

COMMUNITY COLLEGE Sample College

June 30, 2016

**AUDIT STRATEGY
RISK ASSESSMENT SUMMARY**

	IDENTIFIED RISKS	OPINION	RESPONSE TO RISK
ACCOUNT BALANCE/	and	UNIT(S)	and
CLASS OF TRANSACTION	RELEVANT ASSERTION(S)	APPLICABLE	AUDIT APPROACH
Statement of Activities/ Statement of Revenues, Expenditures and Changes in Fund Balances			
Property Tax			
Revenue - Intergovernmental			
Revenue – Proprietary			
Other Revenue			
Expenditures			
Expenditures - Procurement/Credit Cards			
Payroll			
Transfers			
Depreciation			
Financial Reporting (Presentation and Disclosure)			
Other:			

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT STRATEGY**
RISK ASSESSMENT SUMMARY**ASSERTIONS:****Account Balances:**

E = Existence R = Rights and Obligations C = Completeness
 V = Valuation and Allocation A = All Assertions

Classes of Transactions:

O = Occurrence C = Completeness AC = Accuracy
 CO = Cut off CL = Classification A = All Assertions

Presentation and Disclosure:

O = Occurrence and Rights and Obligations C = Completeness
 U = Classification and Understandability V = Accuracy and Valuation
 A = All Assertions

CR = Control Risk**RMM = Risk of Material Misstatement****TOC = Test of Controls****DR = Detection Risk****Audit Risk is assessed at LOW for all account balances and classes of transactions****OPINION UNITS:****GA** Governmental Activities**BTA** Business Type Activities

Major Funds:

G General Fund

AR Aggregate remaining funds**AD** Aggregate discretely presented component units**All** All opinion units

COMMUNITY COLLEGE Sample College

June 30, 2016

AUDIT STRATEGY
RISK ASSESSMENT SUMMARY

ASSERTION DEFINITIONS:

Account Balances:

- E = Existence – assets, deferred outflows of resources, liabilities and deferred inflows of resources exist.
- R = Rights and Obligations – the College holds or controls the rights to assets and liabilities are the obligations of the College.
- C = Completeness – all assets, deferred outflows of resources, liabilities and deferred inflows of resources which should have been recorded have been recorded.
- V = Valuation and Allocation – assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund balances and net position are included in the financial statements at appropriate amounts and any resulting valuation or allocation adjustments are appropriately recorded.

Classes of Transactions:

- O = Occurrence – transactions and events which have been recorded occurred and pertain to the College.
- C = Completeness – all transactions and events that should have been recorded have been recorded.
- AC = Accuracy – amounts and other data relating to recorded transactions and events have been recorded appropriately.
- CO = Cut off – transactions and events have been recorded in the correct accounting period.
- CL = Classification – transactions and events have been recorded in the proper accounts.

Presentation and Disclosure:

- O = Occurrence and Rights and Obligations – disclosed events have occurred and pertain to the College.
- C = Completeness- all disclosures which should have been included in the financial statements have been included.
- U = Classification and Understandability – financial information is appropriately presented and described and disclosures are clearly expressed.
- V = Accuracy and Valuation – financial and other information are disclosed fairly and at appropriate amounts.

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT STRATEGY**
RISK ASSESSMENT SUMMARY**INHERENT RISK FACTORS:**

1. Prior audit history indicates little or no adjustment required.
2. Prior audit history indicates significant adjustments.
3. Personnel recording transactions are competent and have been performing duties for several years.
4. New personnel/poorly trained personnel.
5. Transactions are relatively simple to record.
6. Transactions require significant calculations prior to recording.
7. Relatively few transactions.
8. Significant accounting estimates required.
9. Low susceptibility to misappropriation.
10. Highly susceptible to misappropriation.
11. Relatively immaterial.
12. Complexity of matters likely to result in misstatement.
13. Stable transaction activity.
14. High fluctuation in timing of activity.
15. Low potential for omitted activity.
16. High potential for omitted activity.
17. Prior audits included insignificant findings or no findings.
18. Prior audits included significant findings.

COMBINED RISK ASSESSMENT AND ALLOWABLE DETECTION RISK:

<u>INHERENT RISK</u>	<u>CONTROL RISK</u>			Combined risk of material misstatement (RMM)
	MAXIMUM	MODERATE	LOW	
HIGH	High	Moderate	Low	
MODERATE	Moderate	Low	Low	
LOW	Low	Low	Low	

<u>COMBINED RISK OF MATERIAL MISSTATEMENT (RMM)</u>	<u>ALLOWABLE DETECTION RISK</u>
HIGH	Low Moderate High
MODERATE	
LOW	

ARE THERE ANY SIGNIFICANT DEFICIENCIES OR MATERIAL WEAKNESSES KNOWN AT THE TIME OF PLANNING THAT MAY AFFECT THE PLANNED AUDIT APPROACH? YES NO

If Yes, document the account balance or class of transaction affected and explain.

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT STRATEGY**
RISK ASSESSMENT SUMMARY**Planning Approach:**

We have documented the material account balances and classes of transactions and identified significant risks, if any, at the relevant assertion level. We have determined and documented the risk of material misstatement, specific responses to the risks identified, an overall audit approach and have modified the audit program procedures accordingly.

Significant Changes to Overall Audit Strategy:

Document significant changes made during the audit to the overall audit strategy and reasons for such changes. These change, if any, should be documented on the risk assessment summary or listed below:

Completion - Overall Audit Strategy Conclusion:

We have reviewed the audit procedures performed for each account balance and class of transaction and have determined these procedures agree with and satisfy the planned audit approach.

	Initials and Dates			
	Planning		Completion	
	Initials	Date	Initials	Date
Incharge	_____	_____	_____	_____
Manager	_____	_____	_____	_____
Independent Reviewer	_____	_____	_____	_____

COMMUNITY COLLEGE Sample College

June 30, 2016

AUDIT STRATEGY
SINGLE AUDIT

- 1) Determine Type A vs. Type B programs using the Program Identification form and the College's Schedule of Expenditures of Federal Awards.
- 2) Determine the risk classification of Type A programs using the Risk Assessment form.
- 3) If necessary, determine the risk classification of Type B programs using the Risk Assessment form.

NOTE: ALL PROGRAMS ASSESSED AS HIGH RISK MUST BE AUDITED.

- The auditor is not required to identify more high-risk Type B programs than at least one-fourth the number of low-risk Type A programs.
 - When identifying which Type B programs to perform a risk assessment, the auditor is encouraged to use an approach which provides an opportunity for different high-risk Type B programs to be audited as major over a period of time.
- 4) Identify major programs and determine if the percentage of coverage rule has been met using the bottom of the Determination of Major Programs form.

Major programs must account for at least 40% of total expenditures of federal awards unless the College is low-risk, in which case only 20% needs to be met.* The College is considered low risk if, for each of the prior two years, all of the following conditions have been met:

- A Single Audit is performed on an annual basis.
 - Unmodified opinions on the financial statements and the Schedule of Expenditures of Federal Awards were issued.
 - No material weaknesses in internal control under the requirements of Government Auditing Standards (relating to the financial statements) were noted. **
 - No internal control deficiencies identified as material weaknesses were noted for all Type A programs.
 - No material non-compliance was noted for all Type A programs.
 - There were no known or likely questioned costs exceeding 5% of the program's expenditures for all Type A programs.
 - The prior two audits must have met the report submission requirements of Uniform Guidance (reports were submitted to the federal audit clearinghouse by March 31).
 - No substantial doubt about the College's ability to continue as a going concern was noted.
- 5) Identify the applicable Compliance Requirements for each program.

*The College may have one or more non low-risk Type A programs and still qualify as a low-risk entity, as long as all Type A programs meet the criteria listed. However, all non low-risk Type A programs must be audited as major programs even if the 20% rule of coverage is met by only a portion of the non low-risk Type A programs.

NOTE: The inclusion of large loan or loan guarantees (loans) should not result in the exclusion of other programs as Type A programs. When a federal program providing loans significantly affects the number or size of Type A programs, this program shall be considered as a Type A program and exclude its values in determining other Type A programs.

COMMUNITY COLLEGE Sample College

June 30, 2016

**AUDIT STRATEGY
SINGLE AUDIT****PROGRAM IDENTIFICATION**

For programs with ARRA funding and no separate CFDA #, list the ARRA portion on a separate line and add the prefix "ARRA - " to the program name.

Federal Program	CFDA #	Federal Awards Expended	% of Total Federal Awards Expended	Type A Program (X)	Type B	
					Primary Program (X)	Relatively Small Program (X)
TOTAL						

Determine the appropriate amounts to be used as program thresholds:

Type A		Type B	
Total Federal Assistance	\$	Type A threshold	\$
Percentage multiplier (3%)*	X <u>0.03</u>	Percentage multiplier (25%)	x <u>0.25</u>
Type A threshold: greater of \$750,000 or 3%	\$ <u> </u>	Type B threshold	\$ <u> </u>

Relatively small Type B programs are programs less than the Type B threshold. Risk assessments are not required to be performed on relatively small programs.

* - For total federal awards less than or equal to \$100 million.

NOTE: A Single Audit is not required if total federal expenditures are less than \$750,000.

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT RISK
TYPE A PROGRAM RISK ASSESSMENT****Program Name:****CFDA #:****Last FY Audited as a Major Program **:****Current and Prior Experience:**

Program was audited as a major program in one of the last two years. (2 CFR 200.518(c)(1)) (1)

No material weaknesses were noted in the most recent audit period. (2 CFR 200.518(c)(1)(i)) (1)

No material instances of non-compliance, resulting in an opinion modification were noted in the most recent audit period. (2 CFR 200.518(c)(1)(ii)) (1)

No known or likely questioned costs which exceeded 5% of the total federal awards expended for the program were noted in the most recent audit period. (2 CFR 200.518(c)(1)(iii)) (1)

Results of audit follow-up did not indicate a significant increase in risk. (2 CFR 200.518(c)(1))

Oversight (Federal and/or Pass-through entities):

Recent monitoring reviews were performed and noted no significant problems. (2 CFR 200.518(c)(1) and 200.519(c)(2)) (2)

OMB has not identified the program as a high risk or non-low-risk program in the Compliance Supplement. Verify with the client. (2 CFR 200.518(c)(2))

Inherent Risk:

No significant changes in personnel or systems affecting the program have been identified. (2 CFR 200.518(c)(1)) (3)

Overall Risk Analysis:

Low Risk Type A Program							
Non-Low Risk Type A Program							

(1) - This criteria must be met in order to consider a Type A program low-risk.

(2) - Obtain copy of monitoring review or other documentation to support significant problems identified.

(3) - If this criteria is not met, the auditors should document the changes in personnel or systems which significantly affected the risk assessment.

** - Uniform Guidance states in part, for a Type A program to be considered low-risk, it shall have been audited as a major program in at least one of the two most recent audit periods. This ensures all Type A programs are tested as major at least once every three years.

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT RISK
TYPE B PROGRAM RISK ASSESSMENT****Program Name:****CFDA #****Last FY Audited as a Major Program****Current and Prior Experience:**

Program was audited as a major program within last three years.
(2 CFR 200.519(b)(3))

No significant deficiencies/material weaknesses or material instances
of non-compliance were noted in the last year the program was
audited. (2 CFR 200.519(b)(1))

Persons administering program are experienced and appear
competent. (2 CFR 200.519(b)(1))

The program is not administered under multiple internal control
structures. (2 CFR 200.519(b)(1)(i))

Monitoring of subrecipients is adequate. (2 CFR 200.519(c)(1))

Information systems used for processing are established and
adequate. (2 CFR 200.518(c)(1))

Prior audit findings have been corrected. (2 CFR 200.519 (b)(2)) (*)

Oversight (Federal and/or Pass-through entities):

Recent monitoring reviews were performed and noted no significant
problems. (2 CFR 200.518(c)(1))

OMB has not identified the program as a high risk or non-low-risk
program in the Compliance Supplement. (2 CFR 200.519 (c)(2))

Inherent Risk:

Nature of program is not complex. (2 CFR 200.519(d)(1))

There are no eligibility criteria or third party contracts.
(2 CFR 200.519(d)(1))

There haven't been significant changes in federal regulations or
contract provisions. (2 CFR 200.519(d)(2))

Program has been on-going (not the first or last year of the
program). (2 CFR 200.519(d)(3))

Program's preliminary Inherent Risk (High, Mod, Low)

Internal Control Consideration:

Assessed level of risk based on evaluation of internal controls for
prior year. (Max / Slt / Mod / Low)

Overall Risk Analysis:

Low Risk Type B Program						
High Risk Type B Program						

(*) - Auditors should use their judgment. Audit findings from prior year do not preclude the program from being low risk.

Note: Except for known material weaknesses in internal control or compliance problems, a single criteria would seldom cause a Type B program to be considered high-risk.

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT RISK**
TYPE B PROGRAM RISK ASSESSMENT

In order to determine major programs, complete the following steps:

- Enter Type A programs and their risk analysis from the Risk Evaluation form. For non low-risk Type A programs only, enter their percentage of total federal expenditures (from the Program Identification form) in the far right column. If there are low-risk Type A programs, proceed to the next step. If there are no low-risk Type A programs, then determine if total percentage of the non low-risk Type A programs exceeds the percentage of coverage rule. If it exceeds the minimum percentage required, the determination of major programs is complete. If the minimum percentage is not met, include additional programs as necessary to meet the percentage of coverage rule.
- Enter the high-risk Type B programs from the Risk Evaluation form limited to 25% of the number of low-risk Type A programs. For each high-risk Type B program selected, enter its percentage of total federal expenditures (from the Program Identification form) in the far right column. **NOTE: ALL PROGRAMS ASSESSED AS HIGH RISK MUST BE AUDITED.**
- Determine if the total percentages from these two steps exceed the percentage of coverage rule. If it exceeds the minimum percentage required, then the determination of major programs is complete. If the minimum percentage is not met, include additional programs as necessary to meet the percentage of coverage rule.

A B	Federal Program	CFDA #	Non Low- Risk	Low- Risk	High- Risk	% of Total Expenditures of Federal Awards
	TOTAL					

40% Rule applicable

☐

20% Rule applicable

☐

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT STRATEGY**
SINGLE AUDIT RISK ASSESSMENTIdentify applicable requirements and complete risk assessment for each major program.

Program/CFDA#: _____

Compliance Requirement:

- A. Activities allowed or unallowed
- B. Allowable costs/Cost principles
- C. Cash Management
- D. Reserved
- E. Eligibility
- F. Equipment and Real Property Management
- G. Matching, Level of Effort, Earmarking
- H. Period of Performannce
- I. Procurement and Suspension and Debarment
- J. Program Income
- K. Reserved
- L. Reporting
- M. Subrecipient Monitoring
- N. Special Tests and Provisions

Mark if applicable	Identified Risks of Material Noncompliance	Inherent Risk		Control Risk Assess- ment	Combined Risk of Material Non- compliance	Response to Identified Risks
		Risk Factors	Assessment			

COMMUNITY COLLEGE Sample College**June 30, 2016****AUDIT STRATEGY**
SINGLE AUDIT RISK ASSESSMENT**INHERENT RISK FACTORS:**

1. Little or no changes in the compliance requirements.
2. Compliance requirements added or significantly changed.
3. Program characteristics do not involve a high amount of risk.
4. Program characteristics involve risk, such as a significant amount of contracting or use of subrecipients or OMB designated program as higher risk, including programs with Recovery Act funds.
5. High level of independent review/oversight.
6. Little or no independent review/oversight.
7. Relatively simply compliance requirements.
8. Compliance requirements are complex, such as calculations and eligibility determinations are complex, require a high degree of judgment or are difficult to audit.
9. Personnel are experienced and competent.
10. Personnel are inexperienced, poorly trained or lack competence.
11. Administration is centralized.
12. Decentralized administration with multiple locations or branches.
13. Prior audits included insignificant no compliance findings.
14. Prior audits included significant compliance findings.

The auditor should consider whether any risks identified are pervasive to the College's compliance because they may affect the College's compliance with many compliance requirements. If the auditor identifies risks of material noncompliance that are pervasive to the College's compliance, the auditor should develop an overall response to such risks. Examples of situations in which there may be risk of material noncompliance that is pervasive to the College's noncompliance are as follows:

- A College experiencing financial difficulty and for which there is an increased risk grant funds will be diverted for unauthorized purposes.
- A College with a history of poor recordkeeping for its programs.

COMBINED RISK ASSESSMENT

<u>INHERENT RISK</u>	<u>CONTROL RISK</u>			Combined risk of material Noncompliance
	MAXIMUM	MODERATE	LOW	
HIGH	High	Moderate	Low	
MODERATE	Moderate	Low	Low	
LOW	Low	Low	Low	

COMMUNITY COLLEGE _____ **Sample College****June 30, 2016****NONAUDIT SERVICES**

Objective: To evaluate and document independence resulting from the performance of nonaudit services to be provided in accordance with the GAGAS Conceptual Framework for Independence.

Nonaudit Services Performed: Document each nonaudit service to be performed and, based on your understanding with the College, document whether the College agrees to perform the following functions for each nonaudit service.

Nonaudit service to be performed	Assumes all management responsibilities	Designate an individual who has suitable SKE to oversee the service	Evaluate the adequacy and results of the nonaudit service	Accepts responsibility for the results of the nonaudit service
Preparing financial statements and notes				
Preparing WTB's, including the entity-wide WTB				
Converting cash to accrual				
MD&A				
Schedule of Expenditures of Federal Awards				

Designated Individual: Briefly describe the individual or individuals designated to oversee each of the above nonaudit services, including their skills, knowledge and experience (SKE) to oversee the nonaudit services, and whether the individual is capable of reperforming the services:

Name and Title: _____

SKE: _____

Are any of the above nonaudit services prohibited? Yes_____ No_____ (Note: If yes, independence is impaired and the nonaudit service and the audit cannot be performed.)

Do the above individuals possess the required SKE? Yes_____ No_____ (Note: If no, independence is impaired and the nonaudit service and the audit cannot be performed.)

Do threats to independence exist for any other nonaudit services? Yes_____ No_____

COMMUNITY COLLEGE _____ **Sample College****June 30, 2016****NONAUDIT SERVICES**

If yes, list the nonaudit service and the threat:

Nonaudit Service	Identified Threat	Is the threat significant?

Possible threats are: Self-interest, self-review, bias, familiarity, undue influence, management participation and structural.

Safeguards Applied**W/P Ref**

Select from the following safeguards as applicable to reduce threats to an acceptable level:

- _____ Discuss the significance of threats to management participation or self-review with the engagement team and emphasize the risks associated with those threats. _____
- _____ Educate management about the nonaudit services performed by reviewing and explaining the reason and basis for all significant transactions, as well as authoritative standards. _____
- _____ The designated individual at the College will review and approve any proposed journal entries. _____
- _____ The designated individual at the College will compare fund balances reported in the draft financial statements to the College's records. _____
- _____ The designated individual at the College will complete the nonaudit services disclosure checklist. _____
- _____ The designated individual at the College will compare the financial statements and notes to financial statements to the AOS sample report. _____
- _____ We will obtain a secondary review of the nonaudit services by professional personnel who are not members of the audit engagement team (Independent Manager). _____
- _____ We will obtain secondary reviews of the nonaudit services by professional personnel not involved in planning or supervising the audit engagement. _____
- _____ We will consult an independent third party. _____
- _____ We will involve another audit organization to perform or reperform part of the audit. _____

Have the safeguards noted eliminated the threats identified above or reduced them to an acceptable level?
 Yes_____ No_____ (Note: If no, independence is impaired and the nonaudit service and the audit cannot be performed.)

COMMUNITY COLLEGE _____ **Sample College**

June 30, 2016

NONAUDIT SERVICES

CONCLUSION: We have evaluated the nonaudit services to be provided to the College both individually and in the aggregate. We have determined the nonaudit services are not prohibited services and do not involve undertaking management responsibilities as described in Government Auditing Standards.

We have evaluated and documented all significant threats and applied safeguards to eliminate or reduce any significant threat(s) to an acceptable level. We have evaluated the SKE of the individual designated by the College to oversee the nonaudit services and determined they are suitable in the circumstances. We have documented and met the requirements for performing nonaudit services under paragraphs 3.37 and 3.39 of the 2011 Yellow Book.

Based on the foregoing, we may provide the nonaudit services described herein and remain independent with respect to the College.

Incharge _____

Date _____

Manager _____

Date _____

Independent _____

Reviewer _____

Date _____

COMMUNITY COLLEGE Sample College**June 30, 2016****PLANNING CONFERENCE**
ENTRANCE

IN ATTENDANCE:

<u>College</u>		<u>Auditor</u>	
<u>Name</u>	<u>Title</u>	<u>Name</u>	<u>Title</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

ItemsDiscussion

A. Scope of Audit**:

1. Year to be audited.
2. Objectives of audit.
3. Engagement letter (if multi-year letter is used, auditor should annually remind management of the terms of the engagement).
4. Funds to be audited (including component units).
5. Federal financial assistance programs.
6. Additional audit requirements.
7. Reports to be issued.
8. The audit will be conducted in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa and Government Auditing Standards, issued by the Comptroller General of the United States.

B. Timing of**:

1. Fieldwork.
2. Release of report.

C. Availability of records.

D. Working space arrangements, if applicable.

E. Extent of internal audit/other client assistance.

COMMUNITY COLLEGE **Sample College**

June 30, 2016

PLANNING CONFERENCE
ENTRANCE

Items

Discussion

- F. Status of prior year's audit comments.
- G. Personnel changes.
- H. Accounting problems during the year.
- I. Pending litigation.
- J. Significant accounting policies.
- K. Extent of computerized books and records.
- L. Inquire of management about the existence of related party/business transactions, including changes from the prior year and the nature of the relationships.
- M. Potential component units, including changes from the prior year.
- N. 28E organizations in which the College is a participant.
- O. If the College has extended or received financial guarantees on obligations of other entities without receiving or paying equivalent value for the guarantee, discuss the obligation with College officials (GASB 70).
- P. Understanding of fee and billing arrangements.
- Q. Additional items for audit planning:
 - 1. New capital projects or completion of projects from the prior year.
 - 2. New grants or completion of grants from the prior year.
 - 3. New revenue sources, such as special assessments, local option sales tax, etc.)
 - 4. Debt issuances or refunding/retirement of debt.
 - 5. Significant changes in the College's budget from the prior year and/or significant amendments to the College's current year budget.
 - 6. Other.

COMMUNITY COLLEGE **Sample College**

June 30, 2016

PLANNING CONFERENCE
ENTRANCE

Items

Discussion

- R. GASB 43/45/57 – Inquire of management about the date of the most recent actuarial valuation or update to the valuation. A new valuation should be performed as required (based on total plan membership) or if significant changes have occurred since the most recent valuation that would affect the results of the valuation (changes in benefit provisions, size or composition of population covered, medical trend rates)
- S. GASB 68 – Accounting and Financial Reporting for Pensions. – Discuss with management the impact on the College’s financial statements for reporting a new pension liability, deferred outflows, deferred inflows, related footnotes and new RSI schedules.
- T. Inquire of management and, when appropriate, those charged with governance, about whether the College is in compliance with laws and regulations that may have a material effect on the financial statements.
- U. Inquire of management about its understanding of the risk of material misstatement due to fraud and whether they have knowledge of fraud that has occurred.
- V. Inquire of management about the existence of a program for preventing, deterring or detecting fraud. If a program exists, determine if fraud risk factors have been identified.
- W. Inform management about the auditor’s responsibilities to inquire of them and others about fraud risk factors relating to financial reporting and misappropriation of assets throughout the audit in accordance with AU-C 240.
- X. Inquire of management about the existence of any known limitations on the audit.
- Y. Discuss nonaudit services with those charged with governance or management, including:
 - 1. Independence issues.
 - 2. The nature of the audit and the nonaudit services provided.
- Z. Other items.

COMMUNITY COLLEGE _____ **Sample College**

June 30, 2016

PLANNING CONFERENCE
ENTRANCE

Items

Discussion

AA. Discuss the following items with those charged with governance**:

1. Are there any matters warranting particular attention during the audit or areas where additional procedures are requested?
2. Has there been any significant communications with regulators?
3. How does the College respond to changes in financial reporting standards and laws/regulations?
4. What actions have been taken to respond to prior audit comments?
5. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Acknowledgement:

<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> Board Member or Audit Committee Member	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> Date
<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> President	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> Date
<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> Business Manager	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> Date

** These items are required to be communicated with those charged with governance, in addition to the items communicated in the audit engagement letter. If those charged with governance are not present at the entrance conference, ensure the required communications are discussed at a later date.

COMMUNITY COLLEGE _____ **Sample College**

June 30, 2016

PLANNING CONFERENCE
MANAGER

DATE: _____

TIME: _____

Items

Discussion

- A. Last year's items for next year's audit.
- B. Significant findings from audit planning, including discussion/results of brainstorming session*.
- C. Single Audit requirements, if applicable.
- D. Results of obtaining an understanding of internal controls.
- E. Nonaudit services to be performed and results of evaluation of threats to independence and effectiveness of safeguards*.
- F. Engagement letter – update for current year, if needed.
- G. Significant audit program modifications.
- H. Risk assessment summary (RAS), including planned audit approach.
- I. Audit time budget:
 - 1. Timing of fieldwork.
 - 2. Staff scheduling.
 - 3. Budget variances.
- J. Component units and separately maintained records testing.
- K. New auditing or reporting standards.
- L. Other.

Copy of planning conference and RAS summary provided to Deputy.

Deputy _____

Date _____

* If not completed at the time of the initial Manager planning conference, document date of subsequent discussion.

COMMUNITY COLLEGE Sample College

June 30, 2016

REVIEW OF MINUTES

[illegible]

COMMUNITY COLLEGE _____ **Sample College**

June 30, 2016

FINANCIAL STATEMENT ASSERTIONS

ASSERTION DEFINITIONS:

Account Balances:

- 1) Existence – assets, deferred outflows of resources, liabilities and deferred inflows of resources exist.
- 2) Rights and Obligations – the College holds or controls the rights to assets and liabilities are the obligations of the College.
- 3) Completeness – all assets, deferred outflows of resources, liabilities and deferred inflows of resources which should have been recorded have been recorded.
- 4) Valuation and Allocation – assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund balances and net position are included in the financial statements at appropriate amounts and any resulting valuation or allocation adjustments are appropriately recorded.

Classes of Transactions:

- 5) Occurrence – transactions and events which have been recorded occurred and pertain to the College.
- 6) Completeness – all transactions and events which should have been recorded have been recorded.
- 7) Accuracy – amounts and other data relating to recorded transactions and events have been recorded appropriately.
- 8) Cut off – transactions and events have been recorded in the correct accounting period.
- 9) Classification – transactions and events have been recorded in the proper accounts.

Presentation and Disclosure:

- 10) Occurrence and Rights and Obligations – disclosed events have occurred and pertain to the College.
- 11) Completeness – all disclosures which should have been included in the financial statements have been included.
- 12) Classification and Understandability – financial information is appropriately presented and described and disclosures are clearly expressed.
- 13) Accuracy and Valuation – financial and other information are disclosed fairly and at appropriate amounts.

COMMUNITY COLLEGE Sample College**June 30, 2016****FINANCIAL REPORTING ENTITY**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objective and Related Assertions:					
A. The financial reporting entity status of the Community College is properly defined and the presentation in the financial statements is correct. (10,11,12,13)					
B. Relationships with organizations other than component units are identified and properly reported on. (10,11,12,13)					
Audit Procedures:					
A. Evaluate potential component units (CU's), including Foundations, of the College to determine if they are CU's and, if so, the method of presentation.	A				
1. Yes – is a CU.					
a. Blended presentation.					
b. Discrete presentation.					
c. Related organization note disclosure.					
2. No – is not a CU.					
a. Is part of the College and should be reported in same manner as other departments/divisions of the College.					
b. Exclude from presentation.					
B. Identify relationships with organizations other than component units.	B				
1. Related organizations, including Foundations.					
2. Joint ventures.					
3. Jointly governed organizations.					
4. Component units and related organizations with joint venture characteristics.					
5. Pools.					
6. Undivided interests.					
7. Cost-sharing arrangements.					
C. Determine degree to which separate or interlocking Boards of Directors exist.					
D. Determine whether each organization's financial activities are included in the College's financial statements.					
E. Determine if the organizations are audited annually.					
F. Review the audited financial statements of identified organizations. Footnote any assets of the College held in trust by these organizations.					

COMMUNITY COLLEGE Sample College**June 30, 2016****TRIAL BALANCE**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objective and related assertion:					
A. Provide a document which links the report or financial statements to supporting workpapers. (12)					
Audit Procedures:					
A. Obtain or prepare working trial balances by fund type, function, fund and object class as needed.	A				
1. A separate trial balance should be prepared for each fund.					
2. Account classifications should be minimized and consistent with the GASB Codification and/or the sample report.					
3. Foot the working trial balances to verify their accuracy, if applicable.					
4. Document the source of the information for the beginning balance amounts.					
5. The adjusting journal entries should be consolidated on a separate page, numbered, briefly explained or described and referenced to supporting workpapers.					
B. Record reclassifications as necessary. The reclassification entries should be consolidated on a separate page, lettered, briefly explained or described and referenced to supporting workpapers if possible.	A				
C. Obtain and document College concurrence and approval of all adjusting journal entries and reclassifications.					
D. Examine adjustments made directly to the financial statements. (AU-C 240.32 and AU-C 330.21)					
1. Identify and test the appropriateness of significant adjustments made in the preparation of the financial statements.					
2. Scan the journal entries throughout the period under audit and determine if testing is necessary. Document the items selected, if any.					
E. Inform the College of the following GASB 34/35 journal entries and receive its concurrence. (Note: some colleges may have already posted these entries.)	A				
1. Record the accumulated depreciation at the beginning of the year.					
2. Record current year depreciation expense.					
3. Record all activity for the disposal of assets.					

COMMUNITY COLLEGE Sample College**June 30, 2016****TRIAL BALANCE**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
4. Eliminate double counting due to capital asset purchases. 5. Eliminate interfund accruals. 6. Eliminate double counting of debt payments. 7. Record the scholarship allowance for financial aid applied. 8. Record the scholarship allowance for Workforce Investment Act funds applied to tuition and fees. 9. Eliminate interfund activity within the auxiliary fund. 10. Eliminate any double counting of the NJTP administration activity. 11. Close additional activity to net position. F. Reconcile trial balance to College's financial statements. G. Reference the amounts to supporting workpapers. The adjusted trial balance amounts should be referenced to support. H. Obtain or prepare a statement of cashflows. The statement should use the direct method. Reference the amounts on the statement of cashflows to supporting workpapers. I. Determine if the risk of material misstatement due to fraud or error has changed based on the results of substantive tests performed. If so, perform appropriate procedures.	A				
<u>ALTERNATE/ADDITIONAL PROCEDURES:</u>					

COMMUNITY COLLEGE Sample College**June 30, 2016****TRIAL BALANCE**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<u>CONCLUSION:</u> We have performed procedures sufficient to achieve the audit objectives for trial balances and the results of these procedures are adequately documented in the accompanying workpapers. Incharge _____ Date _____ Manager _____ Date _____ Independent Reviewer _____ Date _____					

COMMUNITY COLLEGE Sample College**June 30, 2016****CASH**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions: A. Cash in the Statement of Net Position is on hand, in transit or on deposit with third parties (depositories) in the name of the College. (1,2) B. All cash of the College is included in the Statement of Net Position. (3) C. Depositories are legally acceptable, deposits are adequately insured or adequate collateral has been pledged by the depositories for the College's deposits and separate depository accounts are maintained for each fund for which required. D. Cash balances reflect a proper cut-off of receipts and disbursements and are stated at the correct amounts. (4) E. Cash balances are presented properly by fund type, restricted cash is presented separately by fund type and related disclosures are adequate. (10,11,12,13) Audit Procedures: A. Cash on Hand 1. Determine location, custodian and amount of all cash funds and select funds to be counted. (Coordinate with examination of investments on hand.) 2. For funds selected, count and list all cash and cash items. Obtain Custodian's signature for return of cash. 3. Reconcile total with established balance. 4. Determine and document reason for any unusual items, such as employee and officials checks. 5. Ascertain reason for checks not deposited immediately. 6. Determine all checks were properly endorsed. 7. Determine frequency of petty cash replenishment. 8. Determine petty cash payments are reasonable. B. Undeposited Receipts 1. Determine whether prenumbered receipts were prepared immediately for all undeposited receipts at the end of the year and subsequent deposit agrees with books and bank.					
	A,B,D				
	A,D				

COMMUNITY COLLEGE Sample College**June 30, 2016****CASH**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
2. Obtain explanations for variances and document findings/conclusions.					
C. Cash in Bank					
1. Confirm ending bank balances and authorized check signers.	A,B,D				
2. Ascertain and document confirmed, authorized check signers are current employees who should sign checks.					
3. If appropriate, request a cut-off bank statement and related paid checks directly from the bank for ___ days following the balance sheet date.					
4. If cut-off bank statements were not received, obtain bank statement and paid checks for the month immediately following year-end and perform these procedures:	D				
a. Scrutinize bank statement for erasures and prove mathematical accuracy of statement (withdrawals equal opening balance plus deposits minus closing balance.)					
b. Ascertain total paid checks and debit memos equal withdrawals per bank statement.					
c. Examine the paid date of each check to ascertain the check was paid by the bank during the period covered by the bank statement.					
d. Ascertain the opening balance equals the closing balance from the previous bank statement.					
5. Obtain or prepare bank reconciliations for bank accounts as of year-end.	A,B,D				
a. Test mathematical accuracy of the bank reconciliation.					
b. Compare bank balance amount to bank statement and book balance to books.					
c. Verify, on a test basis, listed outstanding checks cleared the bank after June 30.					
d. For outstanding checks over \$_____ which did not clear the bank by July 31, examine supporting documentation and list payee. Ascertain and document subsequent disposition.					

COMMUNITY COLLEGE Sample College**June 30, 2016****CASH**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<ul style="list-style-type: none"> e. If checks are outstanding greater than three years, ensure their disposition complies with Chapter 556 of the Code of Iowa. f. Determine whether College is writing and holding checks at June 30. Comment accordingly. <ul style="list-style-type: none"> 1) Determine whether amount is material. 2) Obtain College's concurrence to adjust or determine if opinion should be modified. g. Trace all deposits in transit to subsequent bank statement and document the date deposited per books and per bank. h. Determine and document the propriety of other reconciling items. i. For canceled checks retained electronically, determine both the front and back of the check is retained in accordance with Chapter 554D.114(5) of the Code of Iowa. 					
6. Trace transfers between banks, including money market accounts, for five days on both sides of statement date by: <ul style="list-style-type: none"> a. Preparing a schedule detailing each transfer check, recording the amount, check number, date disbursed per books and per bank, date received (deposited) per books and per bank. b. Review the schedule to determine the receipt (deposit) and disbursement side of each transfer are recorded in the proper period. 	D				
7. Determine a depository resolution including all depositories used by the College has been approved as required by Chapter 12C.2 of the Code of Iowa.	C				
8. Determine the allowability of any sweep accounts.					
9. Determine if uninsured public funds deposited in a credit union were secured by a letter of credit in an amount at least 110% of the uninsured amount.					
10. Determine the College has ensured all public funds deposits with banks have met the requirements of Chapter 12C.22 of the Code of Iowa (Pledging of Public Funds Program).					

COMMUNITY COLLEGE Sample College**June 30, 2016****INVESTMENTS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions:					
A. Investment balances are evidenced by securities or other appropriate legal documents either physically on hand or held in safekeeping by others and include all the College's investments. (1,2,3)					
B. Investments are types authorized by law and the investment policy of the College.					
C. Investment values, income, gains or losses are stated correctly and allocated properly to funds. (4,7,9)					
D. Investments are properly described and classified in the Statement of Net Position and related disclosures including restrictions are adequate. (10,11,12,13).					
Audit Procedures:					
A. Obtain or prepare a schedule of all investment transactions for the year, including investments owned as of year-end. For U.S. Government securities, the schedule should list the par value of the security in addition to its cost.					
1. Test mathematical accuracy and trace end of the year balances to the general ledger.	A,C				
2. Determine all investments are recorded.	A				
3. On a test basis, trace collections from sale of investment to deposit.					
4. Examine and list investment documents on hand and trace to schedule or investment records.	A,C				
5. If the College has investments in government securities, sight actual investment certificate if held by the College or confirm ownership with outside safekeeping agent.					
6. For investments held by the College at the end of the year not able to be inspected because they were sold prior to our audit, vouch sale to supporting documents and trace proceeds to bank deposit. Examination of safekeeping receipts is not sufficient.	A				
7. Determine if the College has adopted a written investment policy that complies with the provisions of Chapter 12B.10B of the Code of Iowa.					

COMMUNITY COLLEGE Sample College**June 30, 2016****INVESTMENTS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
8. Determine if changes to the investment policy comply with the provisions of Chapter 12B.10B of the Code of Iowa and have been approved by the Board.					
9. Determine investment transactions complied with the written investment policy.	B				
10. Determine all investments are authorized and comply with statutory provisions of Chapter 12B.10 of the Code of Iowa, as applicable.	B				
11. If applicable, determine if the College has an appropriate public funds custodial agreement prescribed in Chapter 12B.10C of the Code of Iowa and the Treasurer of State's administrative rules.	B				
12. Determine the underlying collateral of repurchase agreements consists of authorized investments and that the client has taken delivery of the collateral either directly or through an authorized custodian as provided in Chapter 12B.10(5)(a)(5) of the Code of Iowa.	A,B				
B. Confirm investments at the end of the year and trace amounts to book balances.	A,C				
C. Related Income	C				
1. Determine all investment income was received and recorded in the proper fund.					
2. Recalculate interest on a test basis.					
3. Compute accrued interest receivable at June 30, if significant.					
4. Determine if interest earned on pooled accounts is fairly and properly allocated to those funds and accounts from which the interest arose.					
5. In accordance with Chapter 12C.9(2) of the Code of Iowa, interest earned on the proceeds of notes, bonds, refunding bonds and other evidence of indebtedness and funds accumulated for the payment of principal and interest or reserves (debt service) is:					
1) used to pay the principal or interest as it came due on the indebtedness (credited to retirement of indebtedness fund) or					
2) credited to the fund for which the indebtedness was issued.					

COMMUNITY COLLEGE Sample College**June 30, 2016****INVESTMENTS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
6. Test interest rates to determine whether rates are in accordance with statutory rates established by the State Rate Setting Committee.	B				
D. Determine propriety of any investments pledged as debt collateral or otherwise restricted.	B,D				
E. Footnote disclosure/financial statement presentation:					
1. Determine investments are reported at fair value and the change in fair value is recorded as net increase (decrease) in the fair value of investments in accordance with GASB 31 and GASB 72.	C				
a. When an active market does not exist for investments, determine the method of estimating fair value and evaluate the propriety of fair value measurements in accordance with AU-C 540 (Characteristics of an inactive market include few transactions, prices are not current, price quotations vary substantially or little information is released publicly).					
b. Determine the proper application of the fair value hierarchy input level for each investment in accordance with GASB 72 as follows:					
1) Level 1 inputs – quoted prices in active markets for identical assets.					
2) Level 2 inputs – significant other observable inputs such as quoted prices for similar assets in active markets, quoted prices for identical assets in markets that are not active or other than quoted prices that are observable such as prices using a matrix pricing model.					
3) Level 3 inputs – significant unobservable inputs using the best information available					
2. If the College uses pricing services or brokers to obtain fair value measurements, determine the College has determined those prices have been developed in accordance with GASB 72.					
3. Determine land or other real estate held as investments by endowments are reported at fair value in accordance with GASB 72 and include the disclosure provisions of GASB 31.	C,D				

COMMUNITY COLLEGE Sample College**June 30, 2016****INVESTMENTS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>4. Document investment information for footnote disclosure in accordance with GASB 40 as follows:</p> <p>a. Investments on hand at June 30 should be listed by type and include maturities.</p> <p>b. Include the appropriate disclosures for the applicable risks:</p> <p>1) Credit risk.</p> <p>2) Custodial credit risk.</p> <p>3) Concentration of credit risk.</p> <p>4) Interest rate risk.</p> <p>5) Foreign currency risk.</p>	D				
<p>5. Determine total portfolio yield reported by the College and evaluate for accuracy.</p>					
<p>6. In the extremely rare instance the College may have investments in derivatives, determine appropriate reporting and disclosures are made in accordance with GASB 72 and GASB 53, as amended by GASB 64. If the College has derivatives, it is likely a questionable investment and, accordingly, a statutory comment will be required.</p>	D				
<p>7. If the College has transferred financial assets or entered into a servicing contract for assets or liabilities, determine the appropriate disclosures and assets or liabilities are recorded in accordance with GASB 48.</p>	D				
<p>F. Identify the outside persons who invested public funds, provided advice on the investing of public funds, directed the deposit or investment of public funds or acted in a fiduciary capacity for the College during the audit period.</p> <p>1. Determine contracts or agreements with outside persons require the outside person to notify the College in writing of the existence of material weaknesses in internal control or regulatory orders or sanctions regarding the type of services being provided under the contracts or agreements.</p> <p>2. Obtain and review the following:</p> <p>a. The most recent audited financial statements and related report on internal control of outside persons involved in investing activities for the client.</p>					

June 30, 2016

INVESTMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p><u>ALTERNATE/ADDITIONAL PROCEDURES:</u></p> <p><u>CONCLUSION:</u></p> <p>We have performed procedures sufficient to achieve the audit objectives for investments and the results of these procedures are adequately documented in the accompanying workpapers.</p> <p>Incharge _____ Date _____</p> <p>Manager _____ Date _____</p> <p>Independent Reviewer _____ Date _____</p>					

COMMUNITY COLLEGE Sample College**June 30, 2016****RECEIVABLES/DEFERRED OUTFLOWS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
E. Alternative procedures to confirmation. 1. Perform tests to verify receivables represent goods/services performed prior to June 30. 2. Trace receivables to receipt and deposit.	A, B, C				
F. Determine receivables represent amounts due but not received at June 30 and they have been recorded to appropriate receivable and revenue accounts in the general ledger.	A, B				
G. Test deposits made in the next year to determine if amounts should have been recorded in the current year.	A				
H. If applicable, determine the reasonableness of any allowance for doubtful accounts and the allowance has been properly recorded.	C				
I. Determine if deferred outflows of resources meeting the definition under GASB 65 and GASB 68 have been recorded. 1. Review the amount(s) recorded for reasonableness. 2. Trace the amount(s) to supporting documentation.	D				
J. Determine if risk of material misstatement due to fraud or error has changed based on results of substantive tests performed. If so, perform appropriate procedures.					
K. Determine whether receivables/deferred outflows of resources are properly classified and disclosures are adequate.	C				

COMMUNITY COLLEGE Sample College**June 30, 2016****NOTES AND LONG-TERM RECEIVABLES**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions:					
A. Notes receivable are properly recorded and authentic, complete obligations owed to the College at the Statement of Net Position date and allowances for estimated uncollectible accounts are adequate and proper. (1,2,3,4)					
B. Pledged, discontinued or assigned notes receivable are properly disclosed and properly classified in the statement of net position. (10,11,12,13)					
Audit Procedures:					
A. Student Loans					
1. Obtain a schedule of notes receivable and reconcile total to the general ledger control total. The schedule should include makers of the notes, issue and due dates, terms of repayment, and interest rate.					
2. Confirm the balances of the notes with the makers on a test basis.	A,B				
3. Investigate exceptions to confirmation requests, applying alternative procedures as needed.					
4. Test collectability of the balances. An allowance for doubtful accounts may be necessary. Determine reasonableness of amount booked.	A,B				
B. If receivables are not confirmed, document reason(s) for not confirming.					
C. Alternative procedures to confirmation.					
1. Perform tests to verify receivables represent goods/services performed prior to June 30.					
2. Trace receivables to receipt and deposit.					
D. Determine if risk of material misstatement due to fraud or error has changed based on results of substantive tests performed. If so, perform appropriate procedures.					
E. Determine whether notes and long-term receivables are properly classified and disclosures are adequate.	B				

COMMUNITY COLLEGE Sample College**June 30, 2016****INVENTORY**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions: A. Inventory reflected in the accounts represents a complete listing of products, materials and supplies owned by the College and such assets are physically on hand or stored at outside locations at the Statement of Net Position date. (1,2,3) B. Inventory listings are accurately priced, extended, footed and the totals are properly reflected in the accounts. (4) C. Inventories are properly classified in the Statement of Net Position and disclosure is made of pledged or assigned inventory and the methods used to value inventory. (10,11,12,13) Audit Procedures: A. Inventory Observation 1. Test count a selection of items. Count items of larger dollar and quantity amounts. 2. Trace amounts of inventory per listing to amounts on hand. 3. Trace amounts of inventory on hand to amounts on listing. 4. Obtain cut-off information. 5. If inventories were not observed, document reason(s). B. Determine all material inventories are recorded by the College (bookstore, cafeteria, trade and industry parts, livestock, grain, supplies, carpentry houses and other projects.) C. Determine if a physical count/observation was performed on or near year end: 1. If the auditor was not present for the physical inventory, consider materiality, scope limitation and alternate procedures. 2. If auditor was present during the physical inventory, review and incorporate observation work papers. a. Trace the test counts of the auditor into the College's final inventory listing. b. Test extensions and foot the totals. c. Review list for reasonableness.					
	A				
	A				
	A, B				
	B				

COMMUNITY COLLEGE Sample College**June 30, 2016****CAPITAL ASSETS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions:					
A. Capital assets represent a complete and valid listing of the capitalizable cost of assets purchased, constructed or leased and physically on hand. (1,2,3,4)					
B. "Additions" or capital expenditures represent a complete and valid listing of the capitalizable cost of the property and equipment acquired during the period. (1,2,3,4)					
C. "Deletions" of capitalized costs and, if applicable, related depreciation/amortization associated with all sold, abandoned, damaged or obsolete capital assets have been removed from the accounts. (1,2,3,4)					
D. Depreciation/amortization and the related allowance account, if applicable, has been compared on an acceptable basis consistent with the prior year. (4,7)					
E. Capital expenditures and capital assets are properly classified in the financial statements and related disclosures are adequate. (10,11,12,13)					
Audit Procedures:					
A. Reconcile supporting records with ledger amounts for each class of capital assets.	A				
B. Obtain or prepare a schedule analyzing and reconciling the beginning balances, acquisitions (by fund), dispositions and ending balances for each class of capital assets and check clerical accuracy.	E				
C. Review insurance coverage for any assets not included on the asset listing.					
D. For acquisitions (which can include purchases, gifts and donations, self-constructed assets and progress billings):					
1. Reconcile acquisitions to capital outlay expenditure balances for all funds.	B				
2. Trace selected acquisitions to purchase orders, invoices, receiving reports, contracts, etc. to determine (if not tested elsewhere):	B				
a. Expenditures recorded in proper period.					
b. Classified correctly by fund, account and budget.					

COMMUNITY COLLEGE Sample College**June 30, 2016****CAPITAL ASSETS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<ul style="list-style-type: none"> c. Amount recorded includes all capitalizable costs for the asset. d. Acquisition was properly authorized in accordance with the stated policies of the College. e. For purchases with federal funds, determine allowability and proper recording. 					
3. Document whether the College capitalizes interest on capital assets. Determine disclosure needed.					
4. For major additions to the land or building accounts:	B				
<ul style="list-style-type: none"> a. Examine the deed, title policy, the closing statement and similar documents to establish ownership. b. Determine whether land acquisitions are in compliance with Chapter 260C.35 of the Code of Iowa. c. Examine progress billings, if applicable. d. Determine sites and buildings acquired, erected or remodeled were approved by the State Board in accordance with Chapter 260C.57 of the Code of Iowa. 					
5. For self-constructed items:	B				
<ul style="list-style-type: none"> a. Review for proper authorization. b. Examine appropriate supporting documentation such as work orders, job status reports, etc. c. Determine labor, overhead, material and interim construction interest are included in cost. d. If extensive, consider need for additional procedures. 					
6. For gifts and donations, determine or review method of valuation.					
E. If an impairment of capital assets exists under GASB 42 criteria:	C,E				
<ul style="list-style-type: none"> 1. Determine appropriate adjustments were made to the asset valuation. 2. Determine required disclosures were included for capital asset impairments. 					

COMMUNITY COLLEGE Sample College**June 30, 2016****CAPITAL ASSETS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<ul style="list-style-type: none"> c. Demonstration of the current intention, ability and presence of effort to complete or continue development of the asset. (Outlays incurred prior to meeting the above criteria should be expensed.) 2. For internally generated computer software, determine outlays are expensed or capitalized based on the nature of the activity: <ul style="list-style-type: none"> a. preliminary project stage outlays are expensed. b. application and development stage outlays are capitalized but cease no later than when the computer software is complete and operational. c. post implementation/operation stage outlays are expensed. 3. Analyze useful lives of intangible assets and test the amount of amortization applied to the assets. <ul style="list-style-type: none"> a. Verify the useful life does not exceed contractual or legal provisions of the intangible asset. b. Determine intangible assets with indefinite useful lives were not amortized. I. Determine the College has complied with GASB 60 for any service concession arrangements. J. Library materials – test valuation of library materials. K. Leases <ul style="list-style-type: none"> 1. Review lease agreements to ascertain whether the related assets have been correctly capitalized (per GASB Codification, Section L20). 2. Determine whether lease agreements for space were entered into in compliance with Chapter 260C.38 of the Code of Iowa. 3. Perform related procedures for leases included in liabilities section, capital leases. 4. Determine of property or equipment purchased under capital leases has been included and properly valued in the inventory of capital assets. 5. Determine there is proper disclosure for all leases. 					
	A,B				

COMMUNITY COLLEGE Sample College**June 30, 2016****CURRENT LIABILITIES/DEFERRED INFLOWS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions:					
A. Liabilities/Deferred inflows of resources at the Statement of Net Position date are properly supported. (1)					
B. Liabilities/Deferred inflows of resources are properly authorized, represent the correct amounts of currently payable items in the proper period and reflect all outstanding obligations. (2,3,4)					
C. Liabilities/Deferred inflows of resources are properly recorded, classified and disclosures are adequate. (10,11,12,13)					
Audit Procedures:					
A. Accounts Payable					
1. Obtain a schedule of accounts payable and identify as follows:					
a. Accounts payable, due to other funds, due to other governments, etc.					
b. Accrued payroll and payroll taxes.					
c. Contracts payable.					
d. Other.					
2. Test the accuracy and classification of amounts by examining supporting invoices and receiving reports.	A,B,C				
B. Unrecorded Liabilities	B				
1. Review the cash disbursements journal for disbursements after the balance sheet date; obtain and examine supporting detail for each disbursement of \$_____ and over and determine accounts payable as of the statement of net position date were properly recorded.					
2. Examine files of receiving reports unmatched with vendors' invoices, searching for significant items received on or before the statement of net position date.					
3. Inspect files of unprocessed invoices and vendors' statements for unrecorded liabilities.					
4. Inquire of responsible College staff about their knowledge of additional sources of unprocessed invoices, unrecorded commitments or contingent liabilities. Indicate who responded to our inquiry in the remarks columns.					

COMMUNITY COLLEGE Sample College**June 30, 2016****CURRENT LIABILITIES/DEFERRED INFLOWS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
C. Anticipatory Warrants					
1. Obtain a schedule of anticipatory warrant transactions for the year and those outstanding at year-end. Include interest and principal payment dates, amount of interest paid, if any, prior to year-end and interest rate.	A,B				
2. Confirm balances at year-end.	A,B				
3. Review authorization for issuance of these obligations.					
4. Determine debt instrument issued complies with provisions of Chapter 74 of the Code of Iowa.					
5. Trace receipts of such obligations into the books and bank statements.	B				
6. Determine interest rates are within legally allowable limits as established by the State Rate Setting Committee (Chapter 74A of the Code of Iowa.)					
7. Determine reasonableness of interest payable on anticipatory warrants.					
D. Iowa School Cash Anticipation Program (ISCAP)					
1. If the College is participating in the ISCAP program:					
a. Confirm ISCAP activity at June 30.	A,B				
b. Determine advances received and repaid on the line of credit.					
2. Prepare footnote disclosure.	C				
E. Determine if deferred inflows of resources meeting the definition of GASB 65 and GASB 68 have been recorded.	A,B,C				
1. Review the amount(s) recorded for reasonableness.					
2. Trace the amount(s) to supporting documentation.					
F. Determine if advances (grant/other funds which have been received but not spent in the current period) from grantors/others meeting the definition of GASB 65 have been recorded.	A,B				
1. Review the amount(s) recorded for reasonableness.					
2. Trace the amount(s) to supporting documentation.					

COMMUNITY COLLEGE Sample College**June 30, 2016****ACCRUED PAYROLL AND RELATED ITEMS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions:					
A. Liabilities at the Statement of Net Position date are properly supported. (1)					
B. Liabilities are properly authorized, represent the correct amounts of currently payable items in the proper period and reflect all outstanding obligations. (3,4)					
C. Liabilities are properly recorded, classified and disclosures are adequate. (10,11,12,13)					
Audit Procedures:					
A. Salaries and Benefits Payable	A,B				
1. Obtain or prepare a schedule of salaries and benefits payable at June 30.					
2. Review for reasonableness.					
3. On a test basis.					
a. Examine contract terms/timesheets for:					
1) Appropriateness of accrual.					
2) Reasonableness of allocation among funds.					
b. Recalculate salaries and benefits.					
B. Compensated Absences					
1. Review College's policies for earned vacation, sick leave and related FICA/IPERS benefits.					
2. Obtain or prepare a summary of compensated absences at June 30 and foot summary.					
3. Review for reasonableness.					
4. Select items to test validity of calculation:	A,B				
a. Trace to supporting data.					
b. Recalculate hourly rate, number of hours earned and unused and extensions.					
c. Determine appropriateness of charges to various funds.					

COMMUNITY COLLEGE Sample College**June 30, 2016****ACCRUED PAYROLL AND RELATED ITEMS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
5. Obtain information for disclosing the nature and valuation basis of the liability. Determine the amounts have been determined in accordance with the provisions of GASB 16, including calculated salary-related payments such as employer's share of social security and pension plan contributions, if applicable. 6. Distinguish between: a. Matured portion for retirement or resignation not paid at June 30 for governmental funds. b. Long term portion: 1) Due within one year. 2) Due after one year. C. Early Retirement 1. Review the College's policy on early retirement. 2. Obtain or prepare a list of employees eligible for early retirement and the amount of the accrual for the College as of June 30. 3. Select a number of eligible employees to determine if: (a) the employees meet the requirements noted in the policy and (b) if the College has properly calculated its potential accrual. 4. Search for other eligible employees not included in the College's list. 5. Prepare the appropriate footnote disclosure.	B,C				
D. Determine if risk of material misstatement due to fraud or error has changed based on results of substantive tests performed. If so, perform appropriate procedures.					
E. Determine whether accrued payroll and related liabilities are properly classified and disclosures are adequate.					

COMMUNITY COLLEGE Sample College**June 30, 2016****LONG-TERM DEBT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions:					
A. Debt is authorized, supported and represents a College obligation. (1,2)					
B. All indebtedness of the College is identified, recorded and disclosed. (3,11)					
C. Debt is recorded in the proper fund and/or governmental or business type activities at the proper amount. (4)					
D. Disbursements or expenditures (including principal and interest) and debt proceeds are properly recorded and classified. (4,5,6,7,8,9)					
E. Debt and related restrictions, guarantees and commitments are properly presented in the financial statements and related disclosures are adequate. (10,11,12,13)					
F. The College has complied with provisions of indentures and agreements related to debt, including provisions on the use of proceeds.					
Audit Procedures:					
A. Loans/Notes Payable					
1. Obtain or prepare a schedule reconciling and analyzing changes in the account balance(s) during the year and test the changes. Investigate any discrepancies.	A,B				
2. Review the debt instruments for compliance with terms and conditions:					
a. Review the resolution for issuance of new debt.	A,B,C				
b. Determine the proceeds from new debt issued were properly recorded and trace proceeds to the bank statement.	A				
c. If proceeds from new debt are not immediately needed, determine whether they were invested and if the interest earned was credited to the project fund or used to reduce the debt, in accordance with Chapter 12C.9(2) of the Code of Iowa.					
d. Determine compliance with sinking fund requirements (should be shown in retirement of indebtedness subfund).	C,D				
e. Determine proceeds were used for the intended purpose.					

COMMUNITY COLLEGE Sample College**June 30, 2016****LONG-TERM DEBT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
f. Determine loans or notes payable were retired from appropriate revenue sources as provided by Chapter 260C.22 of the Code of Iowa.	F				
g. Determine premiums/discounts and issue costs are properly recorded and amortized, if applicable.	E				
3. Confirm principal amount, maturity date, interest rate, collateral and security.	A,B,C				
4. Obtain or prepare a schedule of maturity payments for at least the next 5 years and thereafter.	D,E				
B. Bonds/Certificates Payable					
1. Obtain or prepare a schedule reconciling and analyzing changes in the account balance(s) during the year and test the changes. Investigate any discrepancies.	B				
2. Review the debt instruments for compliance with terms and conditions (including refunding bond issues):					
a. Review the resolution for issuance of new debt.	A				
b. Test premiums or discounts and accrued interest on bonds or certificates sold to determine compliance with the provisions of Chapters 75 and 260E.6(1) of the Code of Iowa.	F				
c. Determine the proceeds from new debt issued were properly recorded and trace proceeds to the bank statement.	A				
d. If proceeds from new debt are not immediately needed, determine whether they were invested and if the interest earned was credited to the project fund or used to reduce the debt, in accordance with Chapter 12C.9(2) of the Code of Iowa.					
e. Determine the College published a notice of intention to issue certificates stating the purpose, amount and project(s) as required by Chapter 260E.6(5) of the Code of Iowa.	F				
f. Determine compliance with sinking fund requirements (should be shown in retirement of indebtedness subfund).	D,F				

COMMUNITY COLLEGE Sample College**June 30, 2016****LONG-TERM DEBT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
g. Determine proceeds were used for the intended purpose.	F				
h. Determine bonds or certificates payable were retired from appropriate revenue sources as provided by Chapters 260C.22, 260E and 260F of the Code of Iowa.	F				
i. Determine premiums/discounts and issue costs are properly recorded and amortized, if applicable.	E				
j. Determine issue costs do not exceed 2% for tax exempt bonds/certificates.					
3. Confirm principal amount, maturity date, interest rate, collateral and security.	A,C				
4. Obtain or prepare a schedule of maturity payments for at least the next 5 years and thereafter.	D,E				
5. Determine the College has complied with the reporting requirements in accordance with SEC Rule 15c2-12. Effective July 1, 2009, issuers are subject to ongoing filing requirements for issuances of more than \$1,000,000. All continuing disclosure submissions must be provided to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system (www.emma.msrb.org).					
6. For revenue bonds and notes, include the required disclosures about specific revenues pledged as required by GASB 48, including:	E				
a. identification of the specific revenue and amount pledged.					
b. purpose of the debt secured by the pledged revenue.					
c. the term of the commitment.					
d. the percentage of the pledged amount to the total for the specific revenue.					
e. a comparison of the pledged revenues recognized during the period to the principal and interest requirements for the debt collateralized by those revenues.					

COMMUNITY COLLEGE Sample College**June 30, 2016****LONG-TERM DEBT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
C. Capital Leases and Installment Purchases					
1. Review lease and installment purchase agreements.	A				
2. Obtain or prepare summary of payments for both operating and capital leases for the next five years and thereafter.	E				
3. Identify capital versus operating leases according to the criteria in GASB Codification, Section L20.	E				
4. Determine initial proceeds were properly recorded as an other financing source and a disbursement was recorded in the proper expenditure account.	D				
5. Compare summary to lease agreements.					
6. Determine fiscal year rental expense (net of leases for one month or less).					
7. Reconcile to payment schedule.	B,D				
D. Judgments and Claims (See also "Insurance and Self-Insurance" section of audit program)	A,B,D				
1. Obtain a listing of judgments and claims against the College.					
2. Trace to supporting documentation.					
3. Determine if judgments/claims were paid out of the proper fund.					
E. Determine other long-term debt (deferred payment contracts, real estate contracts, statewide/local option sales tax bonds, nonexchange financial guarantees) is included in the financial statements, if applicable, is properly disclosed and adequate documentation is filed in the workpapers.					
F. Termination Benefits					
1. Review the College's termination benefits plan and determine the plan was properly approved.					
2. Obtain or prepare a list of employees eligible for termination benefits under the plan and the amount of the College's current year expense and liability as of June 30.	A				

COMMUNITY COLLEGE Sample College**June 30, 2016****LONG-TERM DEBT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
3. Distinguish between: <ul style="list-style-type: none"> a. Matured termination benefits not paid at June 30 for governmental funds. b. Long-term debt: <ul style="list-style-type: none"> 1) due within one year. 2) due after one year. 	C,E				
4. Select a number of eligible employees under the plan to determine if: <ul style="list-style-type: none"> a. the employees meet the requirements noted in the policy. b. the employees were properly approved for participation in the plan. c. the current year expense and liability were properly calculated as of June 30. 	A,B,C, D				
5. Inquire of College personnel about other eligible employees not included in the list.	B				
6. Prepare the necessary footnote disclosure, including: <ul style="list-style-type: none"> a. A general description of the termination benefit arrangements, including, but not limited to: <ul style="list-style-type: none"> 1) Information about the type(s) of benefits provided. 2) The number of employees affected. 3) The period of time over which benefits are expected to be provided. b. The costs of termination benefits in the period in which the College becomes obligated if the information is not otherwise identifiable from the disclosures on the face of the financial statements. c. The significant methods and assumptions used to determine the termination benefit liabilities and expenses. 	E				

COMMUNITY COLLEGE Sample College**June 30, 2016****LONG-TERM DEBT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>G. Postemployment Benefits (PEB) including:</p> <ul style="list-style-type: none"> - OPEB (GASB 43/45/57) - Pension Benefits/Retirement Income (GASB 27 as amended by 50/68) - Sick leave dollars converted to healthcare (GASB 16/45/47) - Termination Benefits (GASB 47) <p>1. Obtain copies of personnel policies, employment contracts, union agreements, employee handbook, retirement plans, etc. to gain an understanding of the College's PEB agreements/plans and plan membership.</p> <p>2. If the College has postemployment benefit plans requiring actuarial calculations, perform the following:</p> <p>a. Obtain a copy of and file the following:</p> <ul style="list-style-type: none"> 1) Plan document(s), including copies of amendments, if any, considered in preparing the actuarial valuation report. 2) Latest actuarial valuation report. (Note: A new valuation is required at least every two years for plans with membership of 200 or more and at least every three years for plans with membership of 200 or less.) 3) Census and plan asset data provided to the actuary. <p>b. Determine whether the scope and objectives of the work performed by the actuary are appropriate by reviewing the latest plan documents and compare with key provisions included in the actuarial valuation report. If the report does not include a description of key plan provisions, it may be necessary to confirm the actuary's understanding of such provisions.</p>	<p>A,B</p> <p>C</p>				

COMMUNITY COLLEGE Sample College**June 30, 2016****LONG-TERM DEBT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>c. Perform tests of census data provided to the actuary:</p> <ol style="list-style-type: none"> 1) Reconcile aggregate census data, such as the number of employees and covered compensation, to amounts shown in the actuarial valuation report or the actuary's letter. 2) Check selected census data (age, sex, marital status, current pay, term of employment, etc.) to payroll records. Document the items tested. 3) Based on plan documents, make appropriate tests to determine whether all eligible employees are included in the census data provided to the actuary. <p>d. Methods and assumptions used by the actuary:</p> <ol style="list-style-type: none"> 1) Obtain an understanding of the methods and assumptions used by the actuary. NOTE: Understanding may be obtained through review of the actuarial valuation report. If basis for methods and assumptions is not clear in the report, consider the need to contact the actuary for clarification. 2) Review for reasonableness the assumptions used by actuary to determine PEB liabilities, including performing a comparison of the assumptions used with those in preceding periods (e.g. turnover, retirement age, mortality, disability, projected salary increases, inflation rate, medical trend data, investment return). (Include/update documentation of assumptions in the permanent file for trend analysis). <p>e. Inquire of the College as to any intent to terminate the plan.</p> <p>3. If the alternative measurement method was used, perform similar procedures as identified in step 2. (Note: Method is allowed for plans with total membership of less than 100.)</p>	C				

COMMUNITY COLLEGE Sample College**June 30, 2016****LONG-TERM DEBT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
4. Determine the appropriate amounts for annual required contribution (ARC), annual OPEB/pension costs and net OPEB/pension obligation.	C,E				
5. Determine completeness and adequacy of pension liabilities as follows:	C,E				
a. Evaluate and document whether the plan auditor's report and schedule are adequate					
b. Evaluate whether the plan auditor has the necessary competence and independence.					
c. Recalculate College employer contribution amounts, the allocation percentage and the collective pension amounts allocated to the College based on the allocation percentage.					
6. Determine the accounting and reporting are in accordance with applicable standards.	C,E				
7. Determine disclosures and required supplementary information comply with the applicable standards.	E				
H. Refundable Allowances on Student Loans					
1. Document balances to be reported.					
2. Determine whether the balances are properly calculated.					
I. Pollution Remediation Obligation					
1. For contaminated or polluted sites, determine if an obligating event has occurred requiring the College to include a liability for a pollution remediation obligation in accordance with GASB 49.	A,B				
2. Determine the measurement and presentation of the liability and expense was made in accordance with GASB 49.	C,D,E				
3. Determine any insurance or other recoveries are properly reported in accordance with GASB 49 as:	C,D,E				
a. a reduction of the liability and expense for unrealized recoveries					
b. an asset and a reduction of the expense for realized recoveries					

COMMUNITY COLLEGE Sample College**June 30, 2016****FUND BALANCE/NET POSITION**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions:					
A. All and only properly authorized restrictions of fund balances/net position are recorded. (1, 2,3)					
B. Components of fund balances/net position are determined in accordance with state and local regulations and requirements. (2)					
C. Components of fund balances/net position and changes in fund balances/net position are properly computed and are described, classified and disclosed appropriately in the financial statements. (4,10,11,12,13)					
Audit Procedures:					
A. Reconcile the College's net position/fund balances to the prior year audited balances by fund and by program.					
B. Analyze activity during the period that directly affected fund balance.	A,C				
C. Review changes for propriety and conformance with GAAP.	C				
D. Analyze and verify changes in fund balances restricted for specific purposes.	A,B,C				
E. Determine changes in the cash reserve fund were in accordance with Chapter 260C.22(3) of the Code of Iowa.	C				
F. Identify deficit fund balances, determine propriety and consider disclosure.	C				
G. Determine the proper classification of net position for report purposes for the following:	C				
1) Net investment in capital assets.					
2) Restricted net position:					
a. External restrictions (for example, special levies, bond covenants or State legislation).					
b. Enabling legislation (internal restrictions made by the governing body).					
c. If permanent endowments or permanent funds are included in restricted net position, restricted net position should be displayed in two components (expendable and nonexpendable).					
3) Unrestricted net position.					

COMMUNITY COLLEGE Sample College**June 30, 2016****REVENUES AND RECEIPTS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions: A. Only revenues available and measurable in the fiscal year have been recorded and are valid. (5,8) B. All revenues available and measurable in the fiscal year have been recorded. (6,8) C. The College has satisfied the relevant legal requirements to receive all revenues recorded. (2) D. Revenues have been billed or charged and recorded at the correct amount. (7) E. Revenues are properly classified in the entity wide statements and/or the fund financial statements and related disclosures are adequate. (9,10,11,12,13) Audit Procedures: A. General 1. Scan ledgers or receipts detail for unusual receipts. Investigate accordingly. 2. Select receipts to be tested. a. List receipt number, source of funds, purpose and amount. b. Trace posting to income detail. c. Determine appropriateness of account classification. d. Vouch to supporting documentation, if available. e. Trace to validated deposit ticket. f. Determine if deposit is made intact on a timely basis. B. Tuition and Fees 1. Select a number of students from the historical student accounts receivable detail by quarter. List the following: a. Student numbers. b. Student name. c. Class code. d. Resident/non-resident status. e. Number of credit hours. f. Tuition and fees billed.					
	A				
	A,B,C,D,E				
	A,B,C,D				

COMMUNITY COLLEGE Sample College**June 30, 2016****REVENUES AND RECEIPTS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
2. From the student services permanent records – student grade transcripts, determine the hours for which the selected students received credit.					
3. Compare number of credit hours per transcript to credit hours per student accounts receivable detail. Investigate variances.					
4. Determine tuition was properly billed.	D				
5. Obtain schedule of fees for selected time periods from College catalog.					
6. Determine billings for fees were properly computed.	D				
7. Select a number of students from registrar's office records. List:					
a. Student number.					
b. Student name.					
c. Status. If withdrawn, show date.					
8. From the registrar's student grade transcripts, determine how many credits the student received and their status.					
9. From the historical student A/R detail, determine amount billed to student and credit hours.	D				
10. Compare credit hours from step 8 above to credit hours from step 9 above. Investigate variances.					
11. Determine tuition was properly billed.	D				
12. Consider analytical procedures to substantiate tuition and fees.	A,D				
13. Document/determine scholarship discounts and allowances are reported in accordance with GASB 35. (See NACUBO Advisor Report 2000-5 dated September 8, 2000 for guidance).					
14. Chapter 260C.14(2) of the Code of Iowa states, "Tuition for residents of Iowa shall not exceed the lowest tuition rate per semester, or the equivalent, charged by an institution of higher education under the state board of regents for a full-time resident student."	C				
a. Determine the lowest tuition rate of the institutions.					
b. Determine whether the College complied with the Code section.					

COMMUNITY COLLEGE Sample College**June 30, 2016****REVENUES AND RECEIPTS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
C. Property Tax					
1. Confirm total tax receipts by levy directly with the County Treasurer and reconcile levy distribution to general ledger. Investigate variances.	A,B,D,E				
2. Determine if there was any unrecorded property tax revenue and whether adjustments are necessary.					
3. If the College levies a Retirement Incentive tax, determine and document compliance with the provisions of Chapter 279.46 of the Code of Iowa.	C				
4. If the College levies for insurance according to Chapter 296.7 of the Code of Iowa, determine funds are used for liability-type insurance (not health and/or benefit insurance).	C				
5. If the College levied a voted tax in accordance with Chapter 260C.22(1) of the Code of Iowa, determine the excess of the amount of interest and principal falling due under any loan agreement to the Sinking Fund for the loan before using the proceeds for any other College purpose.	C				
6. If the College levied an equipment replacement tax in accordance with Chapter 260C.28 of the Code of Iowa, determine funds were used only for equipment replacement.	C				
D. Revenue From Other Governmental Sources					
1. Confirm revenue received from state and federal sources or perform alternate procedures. Reconcile amounts per confirmation with general ledger.	A,B,D				
2. Determine such funds were recorded in the proper fund and are being used for authorized purposes.	E				
E. Sales Tax					
1. Determine whether sales tax was collected on the appropriate transactions and remitted to the Iowa Department of Revenue in accordance with Chapters 423.2 and 423.3 of the Code of Iowa.					

COMMUNITY COLLEGE Sample College**June 30, 2016****REVENUES AND RECEIPTS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
F. Interest Income					
1. Determine whether interest earned is being recorded in the proper fiscal year.	A,D				
2. Determine whether interest earned on pooled accounts is being fairly and properly allocated to those funds and accounts from which the interest arose.	E				
G. Gifts and Grants					
1. Review the procedures for receiving and acknowledging gifts and grants.					
2. Review and evaluate the data underlying gifts, grants and bequests, including gift documents, correspondence, receipt acknowledgements and notification of the grant awards, and compare by type or nature with amounts for prior periods.	A,B,C,D				
3. Note the nature of any restrictions.	C,E				
H. Workforce Training and Economic Development Funds					
1. Determine funds received from the Grow Iowa Values Fund are recorded in the proper restricted fund and used for authorized purposes pursuant to Chapter 260C.18A(2) of the Code of Iowa.					
I. Determine I-Jobs funds received were expended in accordance with the applicable agreement(s) and the College complied with any applicable reporting requirements.					
J. Determine if risk of material misstatement due to fraud or error has changed based on results of substantive tests performed. If so, perform appropriate procedures.					
K. Determine whether receipts/revenues are properly classified and disclosures are adequate.	E				

June 30, 2016

REVENUES AND RECEIPTS

[illegible]

COMMUNITY COLLEGE Sample College**June 30, 2016****EXPENDITURES AND DISBURSEMENTS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions:					
A. Recorded expenditures and cash disbursements are for goods or services authorized and received. (5)					
B. Expenditures incurred for goods or services have all been identified. (6)					
C. Expenditures for goods or services have been recorded in the correct fiscal year. (8)					
D. Expenditures for goods or services and related disbursements have been recorded correctly as to account, fund, period and amount. (7,9)					
E. Expenditures for goods or services are properly presented by fund and related disclosures are adequate. (10,11,12,13)					
Audit Procedures:					
A. General					
1. Scan check registers for unusual disbursements and expense detail for unusual expenditures. Investigate accordingly.	A,D				
2. For travel and questionable disbursements:					
a. Scan account detail for travel expenses and disbursements which may not meet public purpose criteria.	A				
b. Prepare workpapers as necessary to adequately document for report presentation.	E				
3. Schedule all related party transactions with College officials or employees for comment. The workpaper should list all payments made during the period and a description of each transaction. For reporting purposes, include all payments applicable for the period when the individual was an employee or official of the College.	A,E				
4. Obtain copy of the College's policy regarding payment of claims prior to Board approval. Determine if procedures are followed as prescribed and in compliance with Chapters 260C.42 and 260C.43 of the Code of Iowa.					

COMMUNITY COLLEGE Sample College**June 30, 2016****EXPENDITURES AND DISBURSEMENTS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
5. Credit Cards <ul style="list-style-type: none"> a. Determine if the College has established a written policy for the use of credit cards. b. If activity is significant, test selected transactions for propriety and compliance with the policy. B. Expenditures <ul style="list-style-type: none"> 1. Select expenditures and test for the following: <ul style="list-style-type: none"> a. Proper authorization and approval for payment in accordance with Chapters 260C.42 and 260C.43 of the Code of Iowa. b. Proper fund and account charged. c. Proper fiscal year. d. Supported by appropriate documentation, i.e. contract, purchase order and receiving report. e. Mathematical accuracy. f. Invoice or other documentation was canceled to prevent reuse. g. Examine canceled checks or electronically retained check images per Chapter 554D.114(5) of the Code of Iowa for authorized signature, proper endorsement and cancellation. h. Evidence of receipt of goods/services prior to June 30 attached or indicated on invoice. i. Capital outlay items are included on the capital asset additions testing, as applicable. j. Expenditures is proper under federal rules and regulations, consider reasonableness. If also testing compliance for a major program, you may need to add/revise criteria to cover single audit program steps. (i.e., allowable costs/cost principles, period of availability, etc.) k. Expenditure is proper under state rules and regulations. 	A,B,C,D				

COMMUNITY COLLEGE Sample College**June 30, 2016****EXPENDITURES AND DISBURSEMENTS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>1. Mileage was paid at a rate approved by the Board and was not in excess of the amount allowable under Internal Revenue Service rules as provided by Chapter 70A.9 of the Code of Iowa.</p> <p>m. The expenditure appears to meet the test of public purpose. For those items which are questionable, the College should have adequate documentation as to how the expenditure(s) meet the test of public purpose.</p> <p>C. Construction Contracts</p> <p>1. Reconcile original contract to final contract.</p> <p>2. Reconcile total payments to date by scheduling prior year payments, current year payments, payments due and retainage due.</p> <p>3. Determine projects and/or contracts were authorized and approved by the governing body.</p> <p>4. Determine construction contracts do not contain clauses which would make the in-state construction contracts subject to the laws of another state or which require litigation, mediation, arbitration or other dispute resolution proceedings be conducted in another state in accordance with Chapter 537A.6 of the Code of Iowa.</p> <p>5. For public improvements with estimated total cost exceeding the competitive bid threshold established by Chapter 26.3 or as established in Chapter 314.1B (\$130,000 before January 1, 2015 and \$135,000 effective January 1, 2015), determine the public hearing and bidding requirements of Chapters 26.2 through 26.13 of the Code of Iowa were followed:</p> <p>a. Determine the College advertised for sealed bids as provided in Chapter 26.3 of the Code of Iowa and published notice not less than 4 days but not more than 45 days before the date for filing bids.</p> <p>b. Determine the College published notice of the public hearing not less than 4 nor more than 20 days before the date of the hearing as provided in Chapters 26.12 and 362.3 of the Code of Iowa.</p>	A,B,D				

COMMUNITY COLLEGE Sample College**June 30, 2016****EXPENDITURES AND DISBURSEMENTS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<ul style="list-style-type: none"> c. Determine the College had an engineer licensed under Chapter 542B, a landscape architect licensed under Chapter 544B or an architect registered under Chapter 544A prepare the plans and specifications and calculate the estimated total cost of the proposed public improvement as required by Chapter 26.3 of the Code of Iowa. d. Determine the College awarded the contract for the public improvement to the lowest responsive, responsible bidder as required by Chapter 26.9 of the Code of Iowa. <p>6. Determine the College received competitive quotes for public improvement projects in accordance with Chapter 26.14 of the Code of Iowa for the projects with estimated costs less than required bid thresholds but greater than the threshold amount established by the bid threshold committee per Chapter 314.1B of the Code of Iowa. (For an area with a population of 50,000 or more, \$72,000 before January 1, 2015 and \$75,000 effective January 1, 2015.)</p> <ul style="list-style-type: none"> a. For work performed by College employees, other than repair or maintenance work, determine the College filed a quotation for the work to be performed in the same manner as a contractor as required by Chapter 26.14(3)(a) of the Code of Iowa. b. Determine the College awarded the contract for the public improvement to the contractor submitting the lowest responsive, responsible quotation as required by Chapter 26.14(3)(b) of the Code of Iowa. <p>7. Determine any enhancement payments made for early completion of the project did not exceed 10 percent of the value of the contract in accordance with Chapter 26.9 of the Code of Iowa.</p> <p>8. Determine the College applied for and received sales tax refunds on completed projects, unless an exemption certificate was issued by the College for the contractor per Chapter 423.3(80)(b) of the Code of Iowa.</p>					

COMMUNITY COLLEGE Sample College**June 30, 2016****EXPENDITURES AND DISBURSEMENTS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>9. For public improvement projects, determine the College complied with requirements for the early release of retained funds in accordance with Chapter 26.13 of the Code of Iowa.</p> <p>D. Inquire of management and when appropriate, those charged with governance, as to the existence of any agreements containing confidentiality clauses.</p> <p>1. Determine if legal counsel agreed to the insertion of the clauses.</p> <p>2. Determine if the agreements were properly approved by the governing body.</p> <p>3. Review the funding source for the payment(s) made under the agreements.</p> <p>E. Determine if risk of material misstatement due to fraud or error has changed based on results of substantive tests performed. If so, perform appropriate procedures.</p> <p>F. Determine whether expenditures/disbursements have been properly classified and disclosures are adequate.</p> <p><u>ALTERNATE/ADDITIONAL PROCEDURES:</u></p> <p><u>CONCLUSION:</u></p> <p>We have performed procedures sufficient to achieve the audit objectives for expenditures and disbursements and the results of these procedures are adequately documented in the accompanying workpapers.</p> <p>Incharge _____ Date _____</p> <p>Manager _____ Date _____</p> <p>Independent Reviewer _____ Date _____</p>	E				

COMMUNITY COLLEGE Sample College**June 30, 2016****PAYROLL**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions					
A. Payroll (wages, salaries, and benefits) disbursements are supported and made only for work authorized and performed. (5,6)					
B. Payroll is computed using rates and other factors in accordance with contracts and relevant laws and regulations. (7)					
C. Payroll is recorded correctly as to amount and period, distributed properly by account, fund and budget category and disclosures are adequate. (7,8,9,10,11,12,13)					
Audit Procedures:					
A. Reconcile payroll register to the College's ledgers.	A				
B. Consider performing analytical procedures to determine reasonableness of payroll expenditures (and related accruals).	A,B,C				
C. On a test basis, select payroll transactions to test:	A,B,C				
1. Authorization for gross pay or hourly rate.					
2. Appropriateness of contract amount based upon teacher educational credits compared to adopted contractual salary steps.					
3. Approval of hours worked.					
4. Accuracy of number of hours paid per payroll journal to hours worked per approved timesheet (for hourly employees).					
5. Accuracy of calculation of gross pay.					
6. Accuracy of computation of FICA, IPERS and TIAA-CREF (The following FICA rates were effective January 1, 2016: Employee and employer rate of 7.65%.) (The following IPERS and TIAA-CREF rates are effective July 1, 2015: Regular employee rate is 5.95% and employer rate is 8.93%.)					
7. Authorization for payroll deductions.					
8. Appropriateness of allocation among funds, cost centers, etc.					
9. Endorsement and cancellation of checks are proper.					
10. Reasonableness of computation of federal and state withholding.					
11. Proper recording of leave taken.					

COMMUNITY COLLEGE Sample College**June 30, 2016****PAYROLL**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
D. Determine if Forms 941, W-3 or W-2 were filed with the IRS, as appropriate.					
E. Determine if Forms 1099 was issued for outside services of \$600 or more. <u>Note:</u> If 1099 forms were issued, ensure workers should not be reclassified as employees.					
F. Review copies of payroll tax returns. 1. Reconcile gross wages, withholdings and the College share reported on returns to payroll register. 2. Explain material variances.	A,C				
G. Determine whether College is prepaying any salaries or wages.					
H. Analyze significant promotions and positions upgraded during the year. Determine propriety.					
I. Obtain or prepare information for footnotes on IPERS disclosure. 1. Total College contribution to IPERS. 2. Total employee contribution to IPERS. 3. Total IPERS covered payroll. 4. Total College payroll.	C				
J. For retirement systems other than IPERS: (i.e. TIAA-CREF) 1. Review and update file information on pension plans. 2. Determine employee groups covered by each plan. 3. Verify appropriate information for disclosure in accordance with P20 of the GASB Codification. 4. If employees participate in retirement plans other than IPERS or TIAA-CREF, the employer's contribution is limited to the employer's contribution rate under IPERS in accordance with Chapter 260C.14(17) of the Code of Iowa. (This is effective for new employees hired on or after 7/1/97). a) Determine compliance. b) Prepare report footnote disclosure.	C				
K. Determine if any employees receive a flat dollar allowance for travel, clothing or uniform cleaning. If so, determine if this allowance is included in taxable income on the W-2.					

COMMUNITY COLLEGE Sample College**June 30, 2016****TRANSFERS**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions: A. All transfers have been identified, adequately supported and properly authorized. (5,6) B. Transfers comply with statutory requirements, if any. C. Transfers are recorded in the proper time period under audit and are correct as to accounts and amounts recorded. (7,8) D. Transfers are properly classified and disclosures are adequate. (9,10,11,12,13) Audit Procedures: A. Obtain or prepare a schedule of all fund transfers during the year, including reimbursements between funds. B. Determine transfers in and reimbursements from other funds equal transfers out and reimbursements to other funds. C. Select a number of transfers and determine: 1. Purpose of transfer/reimbursement. 2. Propriety of transfer/reimbursement. 3. Appropriate documentation. 4. Approval of transfer by appropriate Board/individual/ group. 5. Proper fund and account charged. 6. Proper fiscal year. 7. Both funds/accounts affected by transfer are similarly recorded. D. Determine whether transfers are properly classified and disclosed. (For GASB 35 reporting, there will be no transfers under BTA reporting. These will be needed for special reports for bonds in some cases and for schedules included in the College's audit report). E. Determine if risk of material misstatement due to fraud or error has changed based on results of substantive tests performed. If so, perform appropriate procedures. F. Classify transfers as mandatory or non-mandatory.					
	A,D				
	A,C,D				
	D				
	B,D				

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COMMUNITY COLLEGE Sample College**June 30, 2016****NJTP**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives: A. Notes receivable and tax revenue are valid and complete and obligations owed to the College are properly recorded at the correct amount. Certificates payable is authorized and recorded in the proper fund. Recorded expenditures are for NJTP contractual obligations. (1,2,3,4,5) B. Revenue and expenditures in the fiscal year have all been identified. All indebtedness of the College is identified, recorded and disclosed and notes receivables include all amounts owed. (3,6,11) C. The College has complied with provisions of indentures and agreements related to debt, including provisions on the use of proceeds, and has satisfied the relevant legal requirements to receive all revenues recorded. Expenditures are authorized and in accordance with applicable regulations or requirements. D. Disbursements or expenditures (including principal and interest payable) and revenues are recorded at the correct amount, fund and period. (7,8,9) E. Expenditures, revenue, debt and notes receivable are properly classified by fund type in the financial statements and related disclosures are adequate. (10,11,12,13) Audit procedures: A. Long-term receivables – NJTP (Chapter 260E of the Code of Iowa) only: 1. Obtain or prepare a schedule, by project, documenting the calculation and balance of the long-term receivables. a. Verify the beginning balances agree with the prior year ending audited balances by project. b. Trace the accrual basis expenditures and cash basis revenue used in the calculation to the College's ledgers. (Note: These amounts should not include the proceeds from or retirement of certificates.) c. Document the net change, by project, of the long-term receivable.					
	A,B,C,D				

COMMUNITY COLLEGE Sample College**June 30, 2016****NJTP**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
1) Current year accrual basis expenditure will increase the receivable. 2) Current year cash basis revenue will decrease the receivable. d. Recompute the long-term receivable balance. e. Document all differences between the College's recorded balance and the auditor recomputed balance. f. Prepare necessary adjusting journal entries for the College's approval. Note: The current year cash basis revenue plus the long-term receivable should agree to the revenue in the Statement of Revenues, Expenses and Changes in Fund Balances. B. Revenue and Receipts 1. If the College levied a standby property tax, determine the receipts were deposited in a special fund and used only to pay the principal and interest on NJTP certificates as provided in Chapter 260E.6(4) of the Code of Iowa. 2. Iowa Industrial New Jobs Training Program (NJTP) a. Review the College's system for recognizing NJTP revenue. Determine propriety. b. Select a number of projects and test receipts for incremental property tax (Chapter 260E.4 of the Code of Iowa) and new jobs credit from withholding (Chapter 260E.5 of the Code of Iowa): 1) Review the Board resolution authorizing the levy on the employer's taxable business property. 2) Confirm the amount of incremental property tax with the County. (Refer to "Revenue and Receipts" section of audit program) 3) Recalculate the amount of credit using the gross wages reported by the employer to the College to determine the credit was applied at one and one-half percent of gross wages.					
	C				
	C				
	A,B,C				
	D				

COMMUNITY COLLEGE Sample College**June 30, 2016****NJTP**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>4) Determine employers remitted the credit quarterly or as needed in compliance with administrative rules of the Department of Revenue.</p> <p>c. Determine if a standby property tax levy was used during the fiscal year.</p> <p>1) Review the appropriate Board resolutions authorizing the levy of the standby property tax.</p> <p>2) Document procedures followed by the College to identify a need for the standby property tax levy. (Note: should only be used if all other sources are insufficient). No reserves should be built up in the fund in anticipation of a possible default.</p> <p>3) Confirm the amount of standby property tax with the appropriate County official(s) (in conjunction with item 2.c above)</p> <p>d. Compare the cumulative amounts received from incremental property tax and withholdings with the amount of certificates issued to determine taxes collected did not exceed the amount necessary to retire the certificates plus interest.</p> <p>e. Determine whether the College monitors the funds being received in order to ensure they are sufficient to make the required annual payments.</p> <p>f. Determine amounts received from the incremental property tax, new jobs credit from withholding and standby property tax levy were recorded in a special account as required by Chapters 260E.4, 260E.5(2) and 260E.6(4) of the Code of Iowa, respectively.</p> <p>g. Determine any payments made from the special account derived from a standby property tax levy are repaid from the first available payments received for program costs which are not required for the payment of or interest on certificates due.</p> <p>h. Determine funds placed in the special account, as described in item "f" above, were expended for the payment of principal and interest on certificates issued.</p>	<p>C</p> <p>A,B,C</p>				

COMMUNITY COLLEGE Sample College**June 30, 2016****NJTP**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>C. Expenditures</p> <ol style="list-style-type: none"> 1. Select a number of project disbursements for testing the following: <ol style="list-style-type: none"> a. Supported by invoice or certification from employer. b. Invoice was mathematically accurate. c. Costs were for the period of the project. d. Charged to the proper project. e. Charged to the proper classification. f. Allowable project costs. g. Compliance with the terms and conditions of the project agreement. 2. Determine no costs except legal fees and reasonable administrative costs were charged to the project prior to the date of the preliminary or notice of preliminary agreement. 3. Determine the only direct costs incurred by the College were for legal fees, underwriting fees and teacher salaries paid by the College for teaching NJTP courses. 4. Recalculate administrative costs to determine the total did not exceed the rate allowed. 5. Review the College's allocation plan for recognizing administrative costs and determine reasonableness. 6. Document the system the College has established to monitor the employer's compliance with the terms and conditions of the project agreement and applicable law. 7. Select a number of NJTP projects and review evidence to determine the College adequately monitored the projects. Inadequate monitoring by the College may indicate the necessity of site visits by the auditor and/or comment. 8. Determine recorded costs were budgeted and the total budget was not exceeded. 9. If the budget was exceeded, determine whether the College collected the balance from the company or how it absorbed the excess costs. 	A,C,D				

COMMUNITY COLLEGE Sample College**June 30, 2016****NJTP**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
D. Bonds/Certificates Payable					
1. Review the debt instrument for compliance with terms and conditions:					
a. Review the resolution for issuance of new debt.	A,B,C				
b. Test premiums or discounts and accrued interest on bonds or certificates sold to determine compliance with the provisions of Chapters 75 and 260E.6(1) of the Code of Iowa.	C				
c. Determine proceeds from new debt issued were properly recorded and trace proceeds to the bank statement.	A,C				
d. If proceeds from new debt are not immediately needed, determine whether they were invested and if the interest earned was credited to the project fund or used to reduce the debt in accordance with Chapter 12C.9(2) of the Code of Iowa.					
e. Determine the College published a notice of intention to issue certificates stating the purpose, amount and project(s) as required by Chapter 260E.6(5) of the Code of Iowa.	C				
f. Determine compliance with sinking fund requirements (should be shown in retirement of indebtedness subfund).	C,D				
g. Determine proceeds were used for the intended purpose.	C				
h. Determine bonds or certificates payable were retired from appropriate revenue sources as provided by Chapters 260C.22, 260E and 260F of the Code of Iowa.					
i. Determine premiums/discounts and issue costs are properly recorded and amortized, if applicable.	D				
j. Determine issue costs do not exceed 2% for tax exempt bonds/certificates.					
2. Confirm principal amount, maturity date, interest rate, collateral and security.	A,B,C				
3. Obtain or prepare a schedule reconciling and analyzing changes in the account balance(s) during the year and test the changes. Investigate any discrepancies.	B,D				

COMMUNITY COLLEGE Sample College**June 30, 2016****NJTP**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>E. High Technology Apprenticeship Program (Iowa Code Chapter 260F)</p> <ol style="list-style-type: none"> 1. Determine if the College administered a high technology apprenticeship program. <ol style="list-style-type: none"> a. Document the amount received from the Iowa Economic Development Authority (IEDA). b. Determine the College funded the program up to the amount distributed to the College by IEDA. 2. Matching requirements <ol style="list-style-type: none"> a. Determine if the College received matching funds from businesses, Community College consortiums or a business network. b. If the request for an apprenticeship was less than \$5,000, determine matching funds were in the form of in-kind match. c. If the project request is \$5,000 or more, determine if the business, Community College consortium or business network provided the required cash to pay at least 25% of the total project cost, including training and administration. 3. Determine if the College entered into a contract with the business or apprenticeship sponsor. This contract must be entered into within 90 days of the College being notified of the approval of the apprenticeship project by IEDA. 4. Determine if the apprenticeship sponsor prepared a Final Performance report at the completion of training. This is a condition of the loan being forgiven. Each participant in the program must submit the report. 5. Verify the accuracy of the report. <p>F. Miscellaneous</p> <ol style="list-style-type: none"> 1. Review NJTP annual report submitted to the Department of Revenue for accuracy and completeness. 2. Determine the College reported the amount of withholding paid by the business to the College during the final 12 months of withholding payments to the Department of Revenue (Chapter 260E.5(5) of the Code of Iowa). 					

COMMUNITY COLLEGE Sample College**June 30, 2016****NJTP**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>3. Determine the College identified all businesses which were part of a multiple issue certificate under Chapter 260E and which have met their repayment obligation.</p> <p>4. Determine the College has complied with other reporting and filing requirements for NJTP in accordance with the Code of Iowa and Administrative Rules.</p> <p>G. Determine if risk of material misstatement due to fraud or error has changed based on results of substantive tests performed. If so, perform appropriate procedures.</p> <p>H. Determine whether NJTP activity has been properly classified and disclosures are adequate.</p> <p><u>ALTERNATE/ADDITIONAL PROCEDURES:</u></p> <p><u>CONCLUSION:</u></p> <p>We have performed procedures sufficient to achieve the audit objectives for NJTP and the results of these procedures are adequately documented in the accompanying workpapers.</p> <p>Incharge _____ Date _____</p> <p>Manager _____ Date _____</p> <p>Independent Reviewer _____ Date _____</p>	E				

COMMUNITY COLLEGE Sample College**June 30, 2016****INSURANCE AND SELF INSURANCE**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions: A. Claims paid are recorded correctly as to account, amount and period and are disbursed in accordance with the College's policies and procedures for claims settlement. (5,6,7,8) B. Reserves for claim losses represent a reasonable estimate of the College's liability for claims filed and incurred but not reported (IBNR) claims. (1,2,3,4) C. Insurance (self-insurance) revenues, transfers, expenditures, assets, liabilities and fund equity are properly classified and described in the fund financial statements and related disclosures are adequate. (9,10,11,12,13) D. The College has complied with applicable laws and regulations. Audit Procedures: A. Inquire about the College's policies and procedures for administering and financing insurance claims, including whether insurance policies are carried for complete coverage of some or all risks or only for excess liabilities. B. Prepare a workpaper to summarize amount and type of significant coverage. Review coverage to: 1. Determine if reasonable and current. 2. Determine if capital assets are adequately insured. 3. Determine significant areas in which risk is retained. C. Verify and review surety bond coverage for reasonableness and compliance with statutory requirements for all officials and employees in accordance with Chapters 260C.12 and 291.2 of the Code of Iowa. D. If a separate Insurance Fund has been established, consider analytical procedures such as comparing claims expenditures and other fund transactions (i.e. employee contributions, insurance premiums and administrative fees) to the prior period actual and relate to the number of covered employees (if applicable).					
	C				
	A				

COMMUNITY COLLEGE Sample College**June 30, 2016****INSURANCE AND SELF INSURANCE**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
E. Review charges by the Insurance Fund to other funds and determine if they are in accordance with GASB 10 (GASB Codification, Section C50.120 and 124):	A				
F. Review estimates of losses from claims with a responsible official and determine if properly recorded as an expenditure/expense and liability. Estimates should include:	B				
1. Reported claims that meet criteria of GASB Codification, Section C50.110-118.					
2. Incurred but not reported (IBNR) claims that meet criteria of GASB Codification, Section C50.113-114. Determine the basis used to estimate IBNR claims is reasonable.					
3. If the College participates in a public entity risk pool and is subject to a supplemental premium assessment, an accrual should be made if the likelihood of such assessment meets the criteria of GASB Codification, Section C50.132.					
4. If the College participates in a public entity risk pool but is not subject to a supplemental premium assessment, review economic viability of pool with responsible official and determine if liability should be recorded based on certain conditions.					
5. If the College participates in a public entity risk pool, inquire with responsible officials about the College's plans for continuing its participation into the pool. If the College has plans to terminate its membership, determine if additional liabilities should be recorded based on terms of the agreement to participate.					
G. If the College has a self-funded health insurance plan, including self-funded deductibles:	B,D				
1. Obtain a copy of the actuarial report required by Chapter 509A.15 of the Code of Iowa.					
2. Examine report to determine reasonableness of reserves. Determine if additional liability should be recorded in the College's financial statements.					
3. Determine if a copy of the actuarial opinion and annual financial report were filed with the Insurance Commissioner within 90 days of year-end.					

COMMUNITY COLLEGE Sample College**June 30, 2016****INSURANCE AND SELF INSURANCE**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>4. If an actuarial report was not obtained because the College qualified under Chapter 509A.15(4) of the Code of Iowa, determine a waiver was properly requested to the Iowa Insurance Division.</p> <p>H. If an outside administrator or service company is used:</p> <p>1. Obtain a copy of the annual report on the status of the program.</p> <p>2. Review report for estimates of liabilities for claims filed and IBNR claims.</p> <p>3. Compare report with prior periods and discuss any unusual variances with responsible official.</p> <p>4. Compare amounts in report with recorded estimated liabilities.</p> <p>I. Determine the adequacy of financial statement presentation and disclosures.</p> <p>1. Financial statement presentation considerations should include:</p> <p>a. If the College participates in a public entity risk pool in which there is no transfer of risk to the pool or pool participants, contributions to the pool should be reported as either deposits (if not expected to pay claims) or as reductions of claims liability (if used to pay claims) in accordance with GASB 10 (GASB Codification, Section C50.135) and SOP 98-7 (Statement of Position).</p> <p>b. If the College made contributions to a public entity risk pool with transfers or pooling of risk:</p> <p>1) Determine contributions are recorded as deposits if a return of those contributions is probable.</p> <p>2) If not probable, then determine contributions are recorded as prepaid insurance to be allocated as expenditures/expenses over future periods or, alternatively, as expenditures in governmental funds in the period made.</p>	<p>A,B</p> <p>C</p>				

COMMUNITY COLLEGE Sample College

June 30, 2016

SINGLE AUDIT

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>Audit Objectives:</p> <p>A. Federal revenues and expenditures are valid and complete and, if applicable, indirect costs are allocated properly.</p> <p>B. Federal revenues and expenditures are properly presented in the financial statements.</p> <p>C. The College has complied with laws and regulations affecting the expenditure of grant funds.</p> <p>Note: Programmatic requirements are unique to each federal program and can be found in the laws, regulations, and provisions of contract and grant agreements pertaining to the program. For programs listed in the Compliance Supplement, the programmatic requirements can be found in Part 4. For those not covered in the Compliance Supplement, review Part 7 of the supplement.</p> <p>Note: The following audit program steps were developed utilizing Part 3.2 of the 2016 Compliance Supplement.</p> <p>Note: The following guidance for the Schedule of Expenditures of Federal Awards (SEFA) is from the 2016 Compliance Supplement, Part III of Appendix VII relating to the American Recovery and Reinvestment Act (ARRA).</p> <p>Recipients and subrecipients covered by the Single Audit Act Amendments of 1996 and 2 CFR part 200, subpart F, must, must separately identify the expenditures for Federal awards under ARRA on the SEFA and the Data Collection Form (SF-SAC). This shall be accomplished by identifying expenditures for Federal awards made under ARRA separately on the SEFA, and as separate rows under Item 1 of Part II on the SF-SAC by CFDA number, and inclusion of the prefix "ARRA - " in identifying the name of the Federal program on the SEFA and as the first characters in Item 1, column d of Part II, "Name of Federal Program," on the SF-SAC.</p> <p>Audit Procedures:</p> <p>A. Review applicable reference material:</p> <ol style="list-style-type: none"> 1. The Uniform Guidance. 2. CFR Part 200, Appendix X1 Compliance Supplement. 3. Compliance Audits (AU-C 935). 					

COMMUNITY COLLEGE Sample College**June 30, 2016****SINGLE AUDIT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<ul style="list-style-type: none"> 4. GAO Government Auditing Standards (the Yellow Book), 2011 revision. 5. AICPA Audit Guide, Audits of State and Local Governmental Units. 6. OMB Catalog of Federal Domestic Assistance. 7. Applicable sections of the Code of Federal Regulations. 8. Council on Financial Assistance Reform (COFAR) Frequently Asked Questions (FAQs). <p>B. Obtain or prepare a Schedule of Expenditures of Federal Awards. If prepared by auditor, determine Independence will not be impaired. The schedule should include:</p> <ul style="list-style-type: none"> 1. Federal grantor or pass-through agency, if applicable. 2. Program name. 3. CFDA number. 4. Grant number. 5. Program or award amount. 6. Program disbursements/expenditures (for cash awards) or the value of non-cash assistance (for non-cash awards). 7. All programs completed and/or terminated during the year and all programs open without monies being received or expended during the audit period. 8. Any program with funding under the American Recovery and Reinvestment Act (ARRA) must be listed separately and include the prefix "ARRA - " in the federal grant program name. <p>C. Determine each program's name and CFDA number reported in the Schedule of Expenditures of Federal Awards agrees with the CFDA Agency Program Index.</p> <p>D. Reconcile appropriate amounts on the Schedule of Expenditures of Federal Awards to amounts in the financial statements and to amounts in the accounting records and document accordingly.</p>	A				
	A,B				

COMMUNITY COLLEGE Sample College**June 30, 2016****SINGLE AUDIT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
E. Determine the issue date of each federal award and which federal requirements apply. (pre Uniformed Guidance or post Uniform Guidance) Note: If award was issued on or after December 26, 2014, including incremental funding actions on previously made awards, Uniformed Guidance requirements would apply.					
F. For each major program, obtain the following information:	A				
1. Grant agreement, application or pass-through agreement and any amendments.					
2. Pertinent correspondence, including budget and program modifications.					
3. Financial reports.					
4. Reference material for clarification of grant/program audit objectives and compliance requirements.					
5. Identification of subrecipients, if applicable.					
6. Basis of accounting.					
7. Contact person.					
8. Account codes used to account for program activities.					
9. Names and addresses of grantors (direct and indirect).					
G. Include copies of pertinent information relating to major programs in the permanent file.					
H. Search for unlisted federal programs not previously identified.	A				
I. Review prior year audit reports to determine the nature of previous findings and questioned costs. Document the status, which will be included in the College's report in a Summary Schedule of Prior Audit Findings.	C				
J. If applicable, send a letter of understanding to the cognizant agency.					
K. Compliance testing for major programs:	C				
1. Test compliance with applicable compliance requirements. (See following separate audit program sections.)					
2. Review Compliance Supplement for any special tests and provisions and perform appropriate procedures to ensure compliance.					

COMMUNITY COLLEGE Sample College**June 30, 2016****SINGLE AUDIT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>3. Report the following items in Part III of the Schedule of Findings and Questioned Costs in accordance with the Uniform Guidance (2 CFR 200.516):</p> <ul style="list-style-type: none"> a. Significant deficiencies and material weaknesses in internal control over major programs and significant instances of abuse relating to major programs. b. Material non-compliance with the provisions of laws, regulations, contracts or grant agreements related to a major program. c. Known or likely questioned costs which are greater than \$25,000 for a type of compliance requirement for a major program. (Should include information to provide proper perspective for judging the prevalence and consequences of the questioned costs) d. Known questioned costs, which are greater than \$25,000 for a type of compliance requirement for a federal program, which is not audited as a major program. (Note: except for audit follow-up, the auditor is not required to perform audit procedures for such federal programs) e. The circumstances concerning why the auditor's report on compliance for major programs is other than an unmodified opinion, unless such circumstances are otherwise reported as findings. f. Known or likely fraud affecting a federal award, unless such fraud is otherwise reported as a finding. g. Instances where the results of audit follow-up procedures disclosed that the summary schedule of prior audit findings prepared by the auditee materially misrepresents the status of any prior audit finding. <p>4. Report other findings in Part IV of the Schedule of Findings and Questioned Costs.</p> <p>The following applicable compliance requirements should be tested in conjunction with the other tests of detail or through other appropriate tests:</p>					

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COMPLIANCE REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>A. ACTIVITIES ALLOWED OR UNALLOWED:</p> <ol style="list-style-type: none"> 1. Identify the types of activities allowed and unallowed for the program(s) tested. 2. If allowability is determined based upon summary level data, verify allowability of the activity and that individual transactions were properly classified and accumulated into the activity total. 3. If allowability is determined based upon individual transactions, select a sample of transactions and verify allowability of the activity. Be alert for any large dollar transfers from program accounts, which may have been used to fund unallowable activities. <p>B. ALLOWABLE COSTS/COST PRINCIPLES:</p> <ol style="list-style-type: none"> 1. For transactions selected which involve federal funds determine whether the costs meet the following criteria: <ol style="list-style-type: none"> a. Costs were necessary and reasonable for the performance of the Federal award and allocable to the federal award under the principles in 2 CFR part 200, subpart E. b. Conform to any limitations or exclusions set forth in 2 CFR part 200, subpart E, or in the Federal award as to types or amount of cost items. c. Consistent with policies and procedures that apply uniformly to both federal and non-federal activities of the College. d. Not allocable to or included as a direct cost of a federal program if the same or similar costs are allocated to the Federal award as an indirect cost. e. Not included as a cost or used to meet cost sharing or matching requirements of another federally supported activity in either the current or a prior period. f. Supported by underlying documentation. g. Determined in conformity with general accepted accounting principles, except, as otherwise provided for in 2 CFR part 200. 					

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COMPLIANCE REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>2. If unallowable direct costs have been identified, determine whether "directly associated costs" have also been charged.</p> <p>3. Determine costs were approved by the federal awarding agency if required, or in accordance with 2 CFR section 200.407 for selected items of costs.</p> <p>4. Determine costs did not consist of improper payments including:</p> <ul style="list-style-type: none"> a. Payments which should not have been made or were for incorrect amounts (including overpayments and underpayments) under statutory, contractual, administrative or other legally applicable requirements. b. Payments which do not account for credit for applicable discounts. c. Duplicate payments. d. Payments to an ineligible party or for an ineligible good or service. e. Payments for goods and services not received (except where authorized by law). <p>5. If the College using a De Minimis indirect cost rate:</p> <ul style="list-style-type: none"> a. Determine the College has not previously claimed indirect costs on the basis of a negotiated rate. Auditors are required to test only for the three fiscal years immediately prior to the current audit period. b. Test selected transactions for conformance with 2 CFR section 200.414 (f). <ul style="list-style-type: none"> 1) Verify the de minimis rate was used consistently, the rate was applied to the proper base and amounts claimed were the product of applying the rate to a modified total direct costs base. 					

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COMPLIANCE REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>2) Verify the costs included in the base are consistent with the costs included in the base year, i.e. verify current year modified total direct costs do not include costs items that were treated as indirect costs in the base year.</p> <p>c. Determine if the College's use of the de minimis rate resulted in the College double-charging or inconsistently charging costs as both direct and indirect.</p> <p>6. Cost Allocation Plans/Indirect Cost Rate Agreements</p> <p>Determine whether material indirect costs or centralized or administrative services are being charged to federal programs. If such costs are being charged, perform the following procedures:</p> <p>a. Obtain and read the Indirect Cost Rate Agreement (ICRA) and/or the current Cost Allocation Plan (CAP) and determine the types of rates and procedures required.</p> <p>b. Determine the terms of the allocation plan and/or rate agreement in effect (i.e., predetermined, fixed with carryforward provisions or provisional/final)</p> <p>c. Verify the methods of charging costs to federal awards are in accordance with the provisions of the approved Indirect Cost Rate Proposal (ICRP) or CAP, or prepared ICRP or CAP, on file.</p> <p>d. Determine whether the CAP or ICRP includes the required documentation in accordance with 2 CFR part 200, Appendix VII, paragraph D or Appendix V, paragraph E, as applicable.</p> <p>e. If the College does not have a negotiated ICRA, determine whether documentation exists to support costs. Report Question Costs if no support.</p> <p>f. If ICRP is not complete, consider whether interim testing is necessary of the costs charged to the cost pools and the allocation bases to minimize questioned costs, if any.</p>					

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COMPLIANCE REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>g. Examine claims submitted to the federal agency for reimbursement. Determine if the amounts charged and rates used are in accordance with the plan and if rates are being applied to the appropriate base.</p> <p>h. Review, on a test basis, supporting documentation to determine whether:</p> <ol style="list-style-type: none"> 1) The indirect cost pool or centralized service costs contain only allowable costs in accordance with 2 CFR part 200. 2) The methods of allocating the costs are in accordance with the provisions of 2 CFR part 200, other applicable regulations and negotiated agreements. 3) Employee time report system results are mathematically and statistically accurate, allowable and properly allocated to the various functional and programmatic activities to which the salary and wage costs are charged. 4) If ICRP uses the multiple allocation base method, test statistical data to determine if the proposed allocation or rate bases are reasonable, updated as necessary and do not contain any material omissions. 5) The indirect costs charged to federal programs are supported by amounts recorded in the accounting records from which the most recently issued financial statements were prepared. <p>7. When material charges are made from internal service, central service, pension or similar activities or funds, verify the charges from these activities or funds are in accordance with the 2 CFR part 200:</p> <p>a. For activities accounted for in separate funds, ascertain if:</p> <ol style="list-style-type: none"> 1) Net position/fund balances (including reserves) were computed in accordance with cost principles. 					

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COMPLIANCE REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>2) Working capital was not excessive in amount (generally not greater than 60 days for cash expenses for normal operations incurred for the period exclusive of depreciation, capital costs and debt principal costs).</p> <p>3) Adjustments were made when there is a difference between the revenue generated by each billed service and the actual allowable costs.</p> <p>4) Refunds were made to the federal government for its share of any amounts transferred or borrowed from internal service or central service funds for purposes other than to meet the operating liabilities, including interest on debt, of the fund.</p> <p>b. Verify all users of services were billed in a consistent manner.</p> <p>c. Verify the billing rates exclude unallowable costs.</p> <p>d. Where billing rates are not accounted for in separate funds, verify the billing rates are developed based on actual costs and were adjusted to eliminate profit.</p> <p>e. For organizations which have self-insurance and certain type of fringe benefit program (e.g. pension funds), verify independent actuarial studies appropriate for such activities are performed at least biennially and current costs were allocated based on an appropriate study which is not over two years old.</p> <p>C. CASH MANAGEMENT:</p> <p>1. Review College trial balances for unearned federal revenue and evaluate the size of the balances in relation to the program's needs.</p> <p>2. If an advancement method is used, review the College's system to determine if it is adequate to limit the amount of federal cash to immediate needs.</p> <p>3. If a reimbursement method is used, trace selected transaction to supporting documentation and determine if the College paid for the costs prior to the date of the reimbursement request.</p>					

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COMPLIANCE REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>4. Determine program income (rebates, refunds, settlements, interest) was disbursed before requesting additional federal cash draws.</p> <p>5. Review records to determine if interest in excess of \$500 per year was earned on advances and whether it was returned to the Department of Health and Human Services Payment Management System.</p> <p>6. For loans, loan guarantees, interest subsidies and insurance, perform tests to ascertain if the College complied with applicable program requirements.</p> <p>7. Review selected cash reports submitted by sub recipients and determine if the College implemented procedure to ensure that the time elapsed between transfer of federal funds and disbursement for program purposes was minimized.</p> <p>D. RESERVED</p> <p>E. ELIGIBILITY:</p> <p>1. Individuals:</p> <p>a. For some federal programs with a large number of individuals receiving benefits, the College may use a computer system for the processing of individual eligibility determinations and the delivery of benefits. U.S. generally accepted auditing standards provide guidance for the auditor when computer processing relates to accounting information that can materially affect the financial statements being audited. When eligibility is material to a major program, and a computer system is integral to eligibility compliance, the auditor should follow this guidance and consider the College's computer processing.</p> <p>1) Perform audit procedures relevant to the computer system as needed to support the opinion on compliance for the major program.</p> <p>2) These tests may be performed as part of testing the internal controls for eligibility.</p> <p>b. For split eligibility functions, determine that testing for internal controls and compliance objectives are performed regardless of whether the State performs part of the determination.</p>					

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COMPLIANCE REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<ul style="list-style-type: none"> c. Perform procedures to determine completeness of the population. d. Select a sample of individuals receiving benefits and perform tests to determine if the: <ul style="list-style-type: none"> 1) Individuals were eligible in accordance with the compliance requirements of the program. (Note: Some programs have initial and continuing eligibility requirements.) 2) Benefits paid to or on the behalf of the individuals were calculated correctly and in compliance with the requirements of the program. 3) Benefits were discontinued when the period of eligibility expired, or if the person became ineligible. e. Review the quality control process and perform tests to ascertain if it is operating to effectively meet the objectives of the process and in compliance with applicable program requirements. <p>2. Group of Individuals or Area of Service Delivery:</p> <ul style="list-style-type: none"> a. Test information used in determining eligibility and determine if the population or area of service delivery was eligible. b. Perform test to determine if: <ul style="list-style-type: none"> 1) The population or area served were eligible. 2) The benefits paid to or on behalf of the individuals or area of service delivery were calculated correctly <p>3. Subrecipients:</p> <ul style="list-style-type: none"> a. If the determination of eligibility is based on an approved application or plan, obtain a copy of the document and identify the applicable eligibility requirements. b. Select a sample of the awards to the subrecipients and perform procedures to verify that the subrecipients were eligible and amounts awarded were within funding limits. 					

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PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>F. EQUIPMENT AND REAL PROPERTY:</p> <p>1. Inventory Management:</p> <p>a. Identify equipment acquired under federal awards during the audit period and trace selected purchases to the property records. Verify the property records contain the following information about the equipment:</p> <p>1) Description (including serial numbers or other identification numbers).</p> <p>2) Source.</p> <p>3) Title holder.</p> <p>4) Acquisition date and cost.</p> <p>5) Percentage of federal participation in the cost.</p> <p>6) Location.</p> <p>7) Condition.</p> <p>8) Ultimate disposition data, including the date of disposal, sale price or method used to determine fair market value.</p> <p>b. Inquire if a required physical inventory of equipment acquired under federal awards was taken within the last two years. Test whether any differences between the physical inventory and equipment records were resolved.</p> <p>c. Select a sample of equipment identified as acquired with federal awards from the property records and observe the equipment to ensure equipment is appropriately safeguarded and maintained.</p> <p>2. Disposition of Equipment</p> <p>a. Determine the amount of equipment dispositions for the year and identify equipment acquired with federal awards.</p> <p>b. Perform procedures to verify the dispositions were properly reflected in the property records.</p> <p>c. For equipment with a current per-unit fair market value in excess of \$5,000, determine whether the awarding agency was reimbursed for the appropriate federal share.</p>					

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COMPLIANCE REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>d. For dispositions of equipment acquired under cost-reimbursement contracts, verify the College followed the federal awarding agency disposition instructions.</p> <p>3. Disposition of Real Property:</p> <p>a. Determine real property dispositions for the audit period and identify property acquired with federal awards.</p> <p>b. Perform procedures to verify the College followed the instructions of the awarding agency, which will normally require reimbursement to the awarding agency of the federal portion of net sales or fair market value at the time of disposition, as applicable.</p> <p>G. MATCHING, LEVEL OF EFFORT, EARMARKING:</p> <ul style="list-style-type: none"> • <u>Matching</u> - includes requirements to provide contributions (usually non-federal) of a specified amount or percentage to match federal awards. Match may be in the form of cash or in-kind contributions. • <u>Level of Effort</u> - includes requirements for (a) a specified level of service to be provided from period to period, (b) a specified level of expenditures from non-federal or federal sources for specified activities to be maintained from period to period and (c) federal funds to supplement and not supplant non-federal funding of services. • <u>Earmarking</u> - includes requirements that specify the minimum and/or maximum amount or percentage of the program's funding that must/may be used for specified activities, including funds provided to subrecipients. <p>Matching:</p> <p>1. Perform test to verify the required matching contributions were met.</p> <p>2. Determine the sources of matching contributions and perform tests to verify they were from an allowable source.</p>					

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PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>3. Test records to corroborate the value placed on in-kind contributions are in accordance with 2 CFR sections 200.306, 200.434 and 200.414, and the terms and conditions of the award.</p> <p>4. Test transactions used to match for compliance with allowable costs/cost principles requirements. This test may be performed in conjunction with the testing of the requirements related to allowable cost/cost principles.</p> <p>Level of Effort:</p> <p>1. Identify the required level of effort and perform tests to verify the level of effort requirement was met.</p> <p>2. Perform tests to verify only allowable categories of expenditures or other effort indicators (e.g., hours, number of people served) were included in the computation and the categories were consistent from year to year.</p> <p>3. Perform procedures to verify the amounts used in the computation were derived from the books and records from which the audited financial statements were prepared.</p> <p>4. Perform procedures to verify the non-monetary effort indicators were supported by official records.</p> <p>Level of Effort - Supplement not Supplant:</p> <p>1. Determine if the College used federal funds to provide services which it was required to make available under federal, state or local law and were also made available by funds subject to the supplement not supplant requirement.</p> <p>2. Determine if the College used federal funds to provide services which were provided with non-federal funds in prior years.</p> <p>a. Identify the federally funded services.</p> <p>b. Perform procedures to determine whether the federal program funded services that were previously provided with non-federal funds.</p> <p>c. Perform procedures to determine if the total level of services applicable to the requirement increased in proportion to the level of federal contribution.</p>					

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<p>Earmarking:</p> <ol style="list-style-type: none"> 1. Identify the applicable percentage or dollar requirements for earmarking. 2. Perform procedures to verify the amounts recorded in the financial records meet the specified requirements (e.g. minimum amounts determine the records show at least the minimum was charged). 3. When requirements specify a minimum percentage or amount, select a sample of transactions supporting the specified amount or percentage and perform tests to verify proper classification to meet the minimum percentage or amount. 4. When requirements specify a maximum percentage or amount, review the financial records to identify transactions for the specified activity were not improperly classified in another account. (e.g. If administrative costs are limited to 10%, review other accounts charged to the activity for administrative expense which, if incorrectly coded, would cause the maximum percentage to be exceeded). 5. When requirements prescribe the minimum number or percentage of specified types of participants that can be served, select a sample of participants that are counted toward meeting the minimum requirement and perform test to verify that they were properly classified. 6. When requirements prescribe the maximum number or percentage of specified types of participants that can be served, select a sample of other participants and perform test to verify that they were not of the specified type. <p>H. PERIOD OF PERFORMANCE:</p> <ol style="list-style-type: none"> 1. Review the award documents and regulations pertaining to the program and determine any award specific requirements related to the period of performance and document the performance period. 2. Test a sample of transactions charged to the federal award after the end of the period of performance and verify the underlying obligations occurred within the period of performance and the payment was made within the allowed time period. 					

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<p>3. Test selected transactions for the following:</p> <p>a. For costs recorded during the beginning of the period of performance, verify costs were not incurred prior to the start of the period of performance unless authorized by the Federal awarding agency or the pass-through entity.</p> <p>b. For costs recorded during or near the end of the period of performance, verify obligations occurred within the period of performance.</p> <p>4. Select a sample of adjustments to the federal funds and verify these adjustments were for transactions that occurred during the period of performance.</p> <p>I. PROCUREMENT AND SUSPENSION AND DEBARMENT:</p> <p>1. Obtain the College's procurement policies and verify the policies comply with applicable federal requirements.</p> <p>2. Determine the College has written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award and administration of contracts.</p> <p>3. Determine if the College has a policy to use statutorily or administratively imposed in-state or local geographical preferences in the evaluation of bids or proposals. If such policy exists, verify these limitations were not applied to federal procurements except where applicable federal statutes expressly mandate or encourage geographical preference.</p> <p>4. Select a sample of procurements and perform the following:</p> <p>a. Examine contract files and verify they document the significant history of the procurement, including the rationale for the method of procurement, selection of contract type, contractor selection or rejection and the basis of contract price.</p> <p>b. Verify procedures provide for full and open competition.</p> <p>c. Examine documentation in support of the rationale to limit competition in those cases where competition was limited and determine if the limitation was justified.</p>					

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<p>d. Examine contract files and determine a cost or price analysis was performed in connection with procurement actions exceeding the simplified acquisition threshold, including contract modifications and the procurement action taken.</p> <p>e. Verify the procurement method used was appropriate based on the dollar amount and conditions specified in 2 CFR section 200.320. The five methods of procurement are as follows:</p> <ol style="list-style-type: none"> 1) Micro-purchases: Less than \$3,000 or \$3,500 effective October 1, 2015 (\$2,000 for purchases subject to the Davis-Bacon Act) – No competitive quotes required. Spread purchases out among qualified suppliers. 2) Small purchases: Between \$3,000 and \$150,000 – Rate quotes must be obtained from an “adequate” number of qualified sources. (“adequate” is not specifically defined by The Uniformed Guidance) Quotes can be obtained from suppliers or from public websites. 3) Sealed bids: More than \$150,000 (construction projects) – Two or more qualified bidders. Publicly advertised and solicited from adequate suppliers. Lowest responsive and responsible bidder for the fixed price contract wins. 4) Competitive proposals: More than \$150,000 – Written policy for conducting technical evaluations of reviewing proposals and selecting the recipient. Most advantageous bid wins, price and other factors considered. 5) Sole source: Any amount. Must meet one of the following four requirements: <ol style="list-style-type: none"> a) Good/service is only available from a single source. b) Only one source can provide the good/service in the time-frame required. 					

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<ul style="list-style-type: none"> c) Written pre-approval from the Federal awarding agency. d) Competition is deemed inadequate after solicitation attempts through one of the other methods. f. Verify consent to subcontract was obtained when required by the terms and conditions of a cost reimbursement contract specified in 48 CFR section 52.244-2. <p>5. Test a sample of procurements and subawards to determine if the College performed a verification check for covered transactions by checking the System for Award Management (SAM) website (www.sam.gov), collecting a certification from the entity or adding a clause or condition to the covered transaction with the entity.</p> <p>6. Test a sample of procurement and subawards against SAM and determine if contracts or subawards were awarded to suspended or debarred parties.</p> <p>J. PROGRAM INCOME:</p> <ul style="list-style-type: none"> 1. Identify any program income. <ul style="list-style-type: none"> a. Review laws, regulations and the provisions of contract and grant agreements applicable to the program and determine if program income was anticipated and, if so, the requirements for recording and using program income. b. Inquire of management and review accounting records to determine if program income was received. 2. Perform tests to verify that program income was properly determined or calculated in accordance with stated criteria and classified as program income only if collected from allowable sources. 3. Perform tests to verify all program income was properly recorded in the accounting records. 4. Perform tests to determine if program income was used in accordance with the program requirements. <p>K. RESERVED</p>					

COMMUNITY COLLEGE Sample College**June 30, 2016****SINGLE AUDIT**
COMPLIANCE REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>L. REPORTING:</p> <ol style="list-style-type: none"> 1. Review applicable laws, regulations and the provisions of contract and grant agreements pertaining to the program for reporting requirements. 2. Determine the types and frequency of required reports. 3. Obtain and review federal awarding agency, or pass-through entity in the case of a subrecipient, instructions for completing the reports. <ol style="list-style-type: none"> a. For financial reports, determine the accounting basis used in reporting the data (i.e. cash or accrual). b. For performance and special reports, determine the criteria and methodology used in compiling and reporting the data. 4. Perform appropriate analytical procedures and determine the reason for any unexpected differences. Examples of analytical procedures include: <ol style="list-style-type: none"> a. Comparing current period reports to prior periods. b. Comparing anticipated results to the data included in the reports. c. Comparing information obtained during the audit of the financial statements to the report. 5. Select a sample of each of the following report types. <ol style="list-style-type: none"> a. Financial reports: <ol style="list-style-type: none"> 1) Determine if the financial reports were prepared in accordance with the required accounting basis. 2) Review accounting records and determine if all applicable accounts were included in the sampled reports. 3) Trace the amounts reported to accounting records that support the audited financial statements and the Schedule of Expenditures of Federal Awards and verify agreement. b. Performance reports: 					

COMMUNITY COLLEGE Sample College**June 30, 2016****SINGLE AUDIT**
COMPLIANCE REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
1) Review supporting records and determine if all applicable data elements were included in the sampled report. 2) Trace data to records that accumulate and summarize data. 3) Perform tests of the underlying data to verify the data were accumulated and summarized in accordance with the required or stated criteria and methodology. c. When intervening computations or calculations are required between the records and the reports, trace reported data elements to supporting worksheets or other documentation that link reports to data. d. Test mathematical accuracy of reports and supporting worksheets. 6. Obtain written representation from management the reports provided to the auditor are true copies of the reports submitted or electronically transmitted to the federal awarding agency or pass-through entity in the case of a subrecipient. M. SUBRECIPIENT MONITORING: 1. Review the College's subrecipient monitoring policies and procedures to gain an understanding of the process used to identify subawards, evaluate risk of noncompliance and perform monitoring procedures based upon identified risks. 2. Test award documents including the terms and conditions, to determine if the College makes subrecipients aware of the award information sufficient to the College comply with federal statutes, regulations and terms and conditions of the award. 3. Review the College's documentation of monitoring to determine if the College's monitoring procedures provide reasonable assurance that subrecipients used federal funds for authorized purposes and complied with laws and regulations, provisions of contracts and conditions of the subaward.					

COMMUNITY COLLEGE Sample College**June 30, 2016****SINGLE AUDIT**
COMPLIANCE REQUIREMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>4. Determine if the College verifies the subrecipient met the requirement to have an audit performed in accordance with the Uniform Guidance, if applicable and requires subrecipients to take appropriate and timely corrective action on deficiencies identified in audit findings.</p> <p>N. SPECIAL TESTS AND PROVISIONS:</p> <p>1. Review the laws, regulations and provisions of grant and contract agreements to identify special tests and provisions.</p> <p>2. Develop procedures to test these requirements.</p>					

COMMUNITY COLLEGE Sample College**June 30, 2016****SINGLE AUDIT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>O. <u>MISCELLANEOUS PROVISIONS:</u></p> <ol style="list-style-type: none"> 1. If the College is a pass-through agency of federal funds, ensure the appropriate receipts/revenues and disbursements/expenditures are recognized in compliance with GASB 24. 2. Prepare the Data Collection Form. (The federal programs listed in Part II Federal Awards should be in the same order as the Schedule of Expenditures of Federal Awards and any program with ARRA funds should be listed on a separate line and include the prefix "ARRA - " in the federal grant program name.) 4. Obtain Corrective Action Plan for Federal Audit Findings from the College (prepared on College letterhead) and review for propriety. 5. Obtain Summary Schedule of Prior Federal Audit Findings from the College (prepared on College letterhead) and review for propriety. 6. Determine if risk of material misstatement due to fraud or error has changed based on results of substantive tests performed. If so, perform appropriate procedures. <p><u>ALTERNATE/ADDITIONAL PROCEDURES:</u></p> <p><u>CONCLUSION:</u></p> <p>We have performed procedures sufficient to achieve the audit objectives for Single Audit requirements and the results of these procedures are adequately documented in the accompanying workpapers.</p> <p>Incharge _____ Date _____</p> <p>Manager _____ Date _____</p> <p>Independent Reviewer _____ Date _____</p>					

COMMUNITY COLLEGE Sample College**June 30, 2016****RELATED PARTIES**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions:					
A. There has been a search for and evaluation of related party transactions and these transactions are properly disclosed in the financial statements. (10,11,12,13)					
Audit Procedures:					
A. At the start of the audit, update the understanding of the identity of related parties and the business purpose of significant related party transactions by inquiry and other general procedures, including information obtained while planning the audit.	A				
B. Provide audit staff with the names of known related parties and information on the existence of known material transactions with related parties.					
C. Consider whether the results of other general procedures (e.g., reading minutes, subsequent events review, etc.) and procedures applied to specific accounts (e.g., review of payees in cash disbursements transactions tested, review of confirmation responses for compensating balances or guarantees for related parties, etc.) indicate the existence of related party transactions and summarize the transactions noted.					
D. Inquire of management about the existence of related party transactions.	A				
E. Consider whether related party transactions are occurring but not being recognized in the accounting records.					
F. Assist drafting, or review, the related party note to the financial statements.	A				
G. Determine if the risk of material misstatement due to fraud or error has changed based on results of substantive tests performed. If so, perform appropriate procedures.					

COMMUNITY COLLEGE Sample College**June 30, 2016****CONTACT/CREDIT HOURS**

PROCEDURE	OBJ.	DONE BY	W/P REF	NA	REMARKS
<p>Audit Objective:</p> <p>A. To determine if the College complied with the Iowa Department of Education (DE) requirements for recording and reporting credit and/or contact hours.</p> <p>Note: To be reported on a credit hour basis, courses must meet certain requirements established by DE. Courses not meeting DE requirements are to be reported as contact hours.</p> <p>Audit Procedures:</p> <p>A. Obtain and review appropriate reference material:</p> <ol style="list-style-type: none"> 1. Iowa Administrative Code (Department of Education) Chapter 281-21.45 (260C) Funding Plan and 281-21.2(12) (definition of a credit hour). 2. Iowa Department of Education memos to Community Colleges regarding credit/contact hours. 3. Iowa Department of Education Current Year-End Reporting Manual available on the DE's website at: https://www.educateiowa.gov/adult-career-community-college/community-colleges/community-college-data-reporting. 4. Iowa Department of Education Iowa Community College MIS Data Dictionary available on the DE website at: https://www.educateiowa.gov/adult-career-community-college/community-colleges/community-college-data-reporting. <p>B. Obtain a copy of the DE reconciled MIS summary from the Iowa Department of Education (contact Kent Farver at kent.farver@iowa.gov or 515-281-0319).</p> <p>C. Obtain a copy of the point in time MIS Student Enrollment File used for calculating end of year data from the College.</p> <p>D. Obtain or prepare a summary schedule by category of credit and contact hours. If the schedule is obtained from the College, verify the accuracy of the schedule.</p> <p>E. Review the policies and procedures established and used by the College for reporting credit and/or contact hours.</p>					

COMMUNITY COLLEGE Sample College**June 30, 2016****CONTACT/CREDIT HOURS**

PROCEDURE	OBJ.	DONE BY	W/P REF	NA	REMARKS
<p>F. Determine whether those policies and procedures comply with the requirements included in the Year End Reporting Manual and consider the following areas:</p> <p>Credit and contact hours are defined as follows:</p> <p><u>Credit hour</u> = see Iowa Administrative Code Chapter 281-21.2(12).</p> <p><u>Contact hour</u> = A non-credit course equals 50 minutes of contact between an instructor and students in a scheduled course offering for which students are registered.</p> <p>For a noncredit course to be eligible for general state financial aid, the course must fit within one of the following 10 categories:</p> <ul style="list-style-type: none"> - <u>Community resource development</u>: courses that provide participants with information which may result in improved and enhanced community resources or community development programs. - <u>State-mandated or state-approved</u>: organized educational instruction designed to meet legislated or licensing requirements as defined in the Code of Iowa. The educational curriculum for such instruction is approved by the Iowa Department of Education, licensing boards or state departments. - <u>Legal and consumer rights</u>: a group of instructional courses that provide the opportunity to become a better-informed and more thoughtful consumer and identify the consumer's rights and obligations under a contract. - <u>Health</u>: courses designed to enhance understanding, attitudes, and practices relating to individual, family and community health. Instruction is based on scientific facts serving as a foundation for decision making and action to achieve health potentials. - <u>Employment and business</u>: learning activities that are designed to develop skills needed to obtain and enhance employment. The activities will provide an understanding of business principles and practices having applications in business and industry locally, regionally, nationally and internationally. 					

COMMUNITY COLLEGE Sample College**June 30, 2016****CONTACT/CREDIT HOURS**

PROCEDURE	OBJ.	DONE BY	W/P REF	NA	REMARKS
<ul style="list-style-type: none"> - <u>Programs for individuals with restricted incomes</u>: a group of instructional courses designed for individuals living on a restricted income. These individuals include the elderly, widows and widowers, unemployed or those receiving financial aid from federal and state welfare agencies and organizations. Each course offered in this classification must clearly indicate it is offered for restricted-income individuals and enrollment efforts must be directed to these individuals. - <u>Environmental education</u>: instructional courses designed to assist individuals to understand the effect upon one's health and well-being of environmental factors such as water supply, pollution control, food contamination, air pollution, radiation exposure and hazardous materials. - <u>Consumer and homemaking adult education</u>: instructional courses designed to include instruction on child development, care and guidance; clothing and textiles; consumer education; family/individual health; family living and parenthood; food and nutrition; home management (including resource management); and housing, home furnishing and equipment. - <u>Adult vocational training/retraining education</u>: individual vocational courses, each complete in itself and designed for the specific purpose of training persons for upgrading the skills of persons presently employed and retraining persons for new employment. - <u>ABE/adult high school completion/ESL</u>: includes adult basic education, adult high school completion and English as a second language. <p>G. Determine the completeness of the DE reconciled MIS summary by comparing to supporting documentation maintained at the College.</p> <p>H. Student Enrollment Files</p> <ol style="list-style-type: none"> 1. Reconcile the information on the file to the DE reconciled MIS summary obtained from the Iowa Department of Education. 					

COMMUNITY COLLEGE Sample College**June 30, 2016****CONTACT/CREDIT HOURS**

PROCEDURE	OBJ.	DONE BY	W/P REF	NA	REMARKS
<p>2. From the Credit Student Information File, Noncredit Student Information File and Credit Student Course File, select a number of students and test the following:</p> <p>a. Determine the course is properly classified. (i.e. Arts & Science, Vocational Technical, etc). Note: This classification may be based on the students major rather than the class itself.</p> <p>b. Determine the student was properly enrolled in the course. Trace to enrollment form or registration form.</p> <p>c. Determine if the course is properly shown as a credit or contact hour(noncredit) course. (If course is shown as a credit course, it must be an Arts and Science and/or a Vocational Technical program.)</p> <p>d. Recalculate the number of credit and/or contact hours reported.</p> <p>e. Determine the student was properly shown as eligible or ineligible for general state financial aid purposes. DE has defined ineligible students as:</p> <p>1) Enrolled in courses that deal with recreation, hobbies, casual culture or self-enjoyment subjects.</p> <p>2) Programs or contracts funded from 260E (Industrial New Jobs Training) sources.</p> <p>3) Students in high school completion programs registered with a community college on or before the third Friday in September which are claimed for funding by a K-12 school district.</p> <p>4) Students registered as a part of the Iowa Department of Corrections contracts through the state penal institutions or the Iowa Department of Human Services contracts</p> <p>5) Students served for the sole purpose of testing, i.e. GED, CLEP, ACT, Nurse Aid, etc.</p> <p>6) Students who reside in nursing homes.</p> <p>I. Adult Basic Education (ABE)</p>					

COMMUNITY COLLEGE Sample College**June 30, 2016****CONTACT/CREDIT HOURS**

PROCEDURE	OBJ.	DONE BY	W/P REF	NA	REMARKS
<ol style="list-style-type: none"> 1. Reconcile support maintained by the College to the DE reconciled MIS summary. 2. Trace individual information to supporting documentation. <p>J. In order to be eligible for inclusion in the credit hour calculation, a student enrolled in a credit course must be enrolled or paid by the fourteenth calendar day of the term or the course. If a student withdraws prior to the fourteenth calendar day or enters the course after the fourteenth calendar day, they are considered ineligible. Students must be officially enrolled to be eligible. Those on a "wait list" for enrollment in a class are not eligible. Trace to student withdrawal slips and determine the actual date withdrawn and the date posted to the system.</p> <p>K. Determine the correlation between enrollment and tuition revenue. Using this correlation, determine if the total credit and contact hours reported on the DE reconciled MIS summary are reasonable (Note: the College may already perform this analysis. If so, review the College's calculation for reasonableness). If the College does not charge a variable rate or cap tuition at the same level, there should be a positive correlation of 1.0 between the enrollment information and tuition and fees. If the college tuition is variable or the College caps tuition, there should be a positive correlation of less than 1.0.</p>					

COMMUNITY COLLEGE Sample College**June 30, 2016****28E ENTITIES WITH GROSS RECEIPTS
OVER \$100,000**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>Audit Objectives:</p> <p>A. To provide for the examination of financial condition and transactions of 28E organizations accounted for by the College in accordance with Chapter 11.6 of the Code of Iowa.</p> <p>Audit Procedures:</p> <p>A. Identify any 28E organizations the College performs receipt and disbursement functions for which had gross receipts in excess of \$100,000 during the fiscal year.</p> <p>B. Discuss with a responsible official of the 28E's governing body the Code requirement for an audit and determine whether the governing body wants the audit conducted at the same time as the College's audit:</p> <ol style="list-style-type: none"> 1. Document name of responsible official and discussion. 2. Obtain the organization's concurrence to conduct the audit. Ask for the concurrence in writing. Governing body action may be required. 3. Discuss billing arrangements. <p>C. If 28E organization concurs to an audit, perform the following:</p> <ol style="list-style-type: none"> 1. Review and document the organization's internal control. 2. Minutes <ol style="list-style-type: none"> a. Review minutes and document significant action including subsequent events. b. Determine and document whether minutes were properly signed. c. Determine, on a test basis, if meetings were preceded by proper public notice in accordance with Chapter 21.4 of the Code of Iowa. d. Determine the minutes show information sufficient to indicate the vote of each member present as required by Chapter 21.3 of the Code of Iowa. 	A				

COMMUNITY COLLEGE Sample College**June 30, 2016****28E ENTITIES WITH GROSS RECEIPTS
OVER \$100,000**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>e. Determine if minutes document the governing body followed proper proceedings for any closed sessions. (Chapter 21.5 of the Code of Iowa).</p> <p>1) The session was closed by affirmative roll call vote of at least two-thirds of the members.</p> <p>2) The specific exemption under Chapter 21.5 of the Code of Iowa was identified and documented.</p> <p>3) Final action was taken in open session.</p> <p>f. Determine on a test basis, if the 28E Organization furnished a summary of the proceedings to be submitted for publication to the newspaper within 20 days following the adjournment of the meeting in accordance with Chapter 28E.6(3) of the Code of Iowa and included:</p> <p>Note: Publication is not required, if in the prior fiscal year the 28E entity had a cash balance of less than \$100,000 AND total expenditures were less than \$100,000; however, the entity shall file, in an electronic format, the information below with the office of the county recorder.</p> <p>1) A schedule of bills allowed.</p> <p>2) A list of all salaries paid for services but persons regularly employed by the organization shall only be published annually.</p> <p>3. Review and test receipts, disbursements, payroll and any other significant transaction cycles as considered necessary. If payroll is not processed with the College's payroll system, review payroll withholdings and quarterly reports.</p> <p>4. Prepare a separate statement of changes in assets and liabilities for inclusion in the College's audit report.</p> <p>D. Determine if the risk of material misstatement due to fraud or error has changed based on results of substantive tests performed. If so, perform appropriate procedures.</p>	A				

COMMUNITY COLLEGE Sample College**June 30, 2016****COMPLETION OF AUDIT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions: A. Written representations have been obtained from responsible officials. B. Misstatements discovered during the audit have been evaluated. C. Financial statements are fairly presented and disclosures are adequate. (10,11,12,13) D. The effect on the auditor's report of GAAP departures, scope limitations, uncertainties, other auditors or other matters has been evaluated. E. Significant deficiencies and material weaknesses have been summarized and communicated to the appropriate parties. F. Significant commitments, contingencies and subsequent events that may require disclosure have been identified. (10,11,12,13) Audit Procedures: A. Inquire as to whether all funds have been brought to our attention. B. Identify any commitments, contingencies and subsequent events that may require disclosure. <ol style="list-style-type: none"> 1. In connection with litigation and claims, perform the following procedures: <ol style="list-style-type: none"> a. Obtain from College officials a description and evaluation of litigation and asserted and unasserted claims. b. Examine documents in the College's possession concerning the above matters. c. Review invoices for legal services and consider whether any other matters in addition to the above were disclosed during the course of the audit. d. Review attorney's letter for matters requiring disclosure. 2. Complete review of minutes through end of field work for subsequent events. 3. Inquire of College officials about the existence of material subsequent transactions or events and significant matters unresolved at year end. 	F				

COMMUNITY COLLEGE Sample College**June 30, 2016****COMPLETION OF AUDIT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>4. Scan records subsequent to period under audit for significant unusual receipts, payments and non-standard entries.</p> <p>C. Determine if footnote disclosure is needed and obtain documentation for the following items. (For entities with unusual types of activities, consider reviewing the AICPA Disclosure Checklist.)</p> <ol style="list-style-type: none"> 1. Lease commitments (capital/operating). 2. Construction commitments. 3. Contracts. 4. Termination benefits. 5. OPEB and pension benefits. 6. Subsequent events. 7. Lawsuits. 8. Other commitments and contingencies (including outstanding indebtedness of others guaranteed by the College, moral obligations and no-commitment debt). 9. Health insurance trust. 10. Relationships with organizations other than component units: <ol style="list-style-type: none"> a. Related organizations. b. Joint ventures. c. Jointly governed organizations. d. Component units and related organizations with joint venture characteristics. e. Pools. f. Undivided interests. g. Cost-sharing arrangements. 11. Reportable segment(s) (any activity or grouping of activities for which revenue-backed debt is outstanding, specific revenue streams backing debt can be identified and there are identifiable assets, liabilities, revenues and expenses required to be accounted for separately) GASB 35. 12. Accumulated depreciation/current year depreciation expense. 	C,F				

COMMUNITY COLLEGE Sample College**June 30, 2016****COMPLETION OF AUDIT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>13. Other pertinent information.</p> <p>D. Review important transactions from the statement of net position date to report date and inquire of responsible official as to any material adverse changes in financial position.</p> <p>E. Summarize and evaluate misstatements noted during the audit, if any.</p> <p>1. Determine whether uncorrected misstatements are material, individually or in the aggregate. Consider the following: (AU-C 450.11)</p> <p>a. the size and nature of the misstatements, both in relation to particular classes of transactions, account balances or disclosures and the financial statements as a whole, and the particular circumstances of their occurrence and,</p> <p>b. the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures and the financial statements as a whole.</p> <p>2. In communicating misstatements to management, the auditor should: (AU-C 450.07-.10)</p> <p>a. Request management to examine the entire class of transactions, account balance or disclosure to identify and correct misstatements in cases where the auditor evaluates the amount of likely misstatement from a sample as material.</p> <p>b. Request management to review the assumptions and methods used in developing management's estimate in those cases where the auditor has identified a likely misstatement involving differences in estimates used by management.</p> <p>c. Reevaluate the amount of likely misstatement after management has performed a. and b. above.</p> <p>d. Obtain an understanding of management's reasons for not making corrections of known or likely misstatements and take into account when evaluating if the misstatement is material.</p>	<p>F</p> <p>B</p>				

COMMUNITY COLLEGE Sample College**June 30, 2016****COMPLETION OF AUDIT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
F. Evaluate whether there could be substantial doubt about the College's ability to continue as a going concern. (AU-C 570)	D				
G. Summarize significant deficiencies and material weaknesses including those communicated in previous audits which have not yet been remediated and include in written communication to management and those charged with governance no later than 60 days following the report release date. (AU-C 265.11-.13)	E				
1. Indicators of material weaknesses in internal control include the following (AU-C 265.09-.10):					
a. Identification of fraud, whether or not material, on the part of senior management.					
b. Restatement of previously issued financial statements to reflect the correction of a material misstatement due to fraud or error.					
c. Identification by the auditor of a material misstatement in the financial statements under audit in circumstances which indicate the misstatement would not have been detected by the entity's internal control.					
d. Ineffective oversight of the College's financial reporting and internal control by those charged with governance.					
H. Perform the following procedures related to supplementary information (SI) as required by AU-C 725.05 and AU-C 725.07:					
1. Determine all of the following conditions are met when determining the SI presented is fairly stated, in all material respects, in relation to the financial statements as a whole:					
a. The SI was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.					
b. The SI relates to the same period as the financial statements.					
c. The financial statements were audited and the auditor served as the principal auditor in that engagement.					
d. Neither an adverse opinion or disclaimer of opinion was issued on the financial statements.					

COMMUNITY COLLEGE Sample College**June 30, 2016****COMPLETION OF AUDIT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<ul style="list-style-type: none"> e. The SI will accompany the College's audited financial statements or such audited financial statements will be made readily available by the College. 2. The following procedures should be performed using the same materiality level used in the audit of the financial statements: <ul style="list-style-type: none"> a. Inquire of management about the purpose of the SI and the criteria used by management to prepare the SI. b. Determine whether the form and content of the SI complies with the applicable criteria. c. Obtain an understanding about the methods of preparing the SI and determine whether the methods have changed from those used in the prior year and the reasons for any such changes. d. Compare and reconcile the SI to the underlying accounting and other records used in the preparing the financial statements. e. Inquire of management about any significant assumptions or interpretations underlying the measurement or presentation of the SI. f. Evaluate the appropriateness and completeness of the SI considering the results of the procedures performed and the other knowledge obtained during the audit of the financial statements. I. Perform the following limited procedures to Required Supplementary Information (RSI), as required by AU-C 730.05: <ul style="list-style-type: none"> 1. Inquire of management about the methods used in preparing the information, including: <ul style="list-style-type: none"> a. Whether RSI has been measured and presented in accordance with prescribed guidelines. b. Whether methods of measurement of presentation changed from those used in the prior year and the reasons for any such changes. 					

COMMUNITY COLLEGE Sample College**June 30, 2016****COMPLETION OF AUDIT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>c. Whether there are any significant assumptions or interpretations underlying the measurement or presentation of the information.</p> <p>2. Compare the information for consistency with management's responses to the foregoing inquiries, the basic financial statements and other knowledge obtained during the audit of the basic financial statements.</p> <p>J. Determine information presented as other information in the statistical section of a Comprehensive Annual Financial Report (CAFR) complies with GASB 44 requirements.</p> <p>K. Review the reasonableness of the Management's Discussion and Analysis, which is limited to the following required elements: (GASB 34 par. 11)</p> <p>1. A brief discussion of the basic financial statements, including the relationships of the statements to each other and the significant differences in the information they provide.</p> <p>2. Condensed financial information derived from entity wide financial statements comparing the current year to the prior year.</p> <p>3. An analysis of the College's overall financial position and results of operations to assist users in assessing whether financial position has improved or deteriorated as a result of the year's operations.</p> <p>4. An analysis of balances and transactions of individual funds. The analysis should address the reasons for significant changes in fund balances or fund net position and whether restriction, commitments or other limitations significantly affect the availability of resources for future use.</p> <p>5. An analysis of significant variations between original and final budget amounts and between final budget amounts and actual budget results for the general fund.</p> <p>6. A description of significant capital assets and long-term debt activity during the year, including commitments made for capital expenditures, changes in credit ratings and debt limitations that may affect the financing of planned facilities or services.</p>					

COMMUNITY COLLEGE Sample College**June 30, 2016****COMPLETION OF AUDIT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>7. If applicable, a discussion of the modified approach to report some or all of the infrastructure assets.</p> <p>8. A description of currently known facts, decisions or conditions expected to have a significant effect on financial position or results of operations.</p> <p>L. For other information in documents containing audited financial statements (such as the introductory and statistical sections in CAFR audits) (AU-C 720):</p> <p>1. Read the other information to identify possible material inconsistencies with the audited financial statements or apparent material misstatements of facts and follow the guidance if either is identified.</p> <p>2. Communicate with those charged with governance any procedures performed and the results.</p> <p>M. Perform a retrospective review of significant accounting estimates reflected in prior year financial statements and consider whether the underlying assumptions in the prior year indicate a possible bias on the part of management. Consider whether the results of the review provide additional information about possible bias in making current year estimates. If possible bias is identified, evaluate whether the circumstances represent a risk of material misstatement due to fraud. (AU-C 240.32)</p> <p>N. Determine whether the comparability of the financial statements between periods has been materially affected by a change in accounting principle or by adjustments to correct a material misstatement in previously issued financial statements. (AU-C 708)</p> <p>O. Evaluate and document the business rationale for significant unusual transactions. (AU-C 240.32)</p> <p>P. Draft audit report, including opinions, financial statements, notes, required supplementary information, supplementary information, other information and other reports. Determine preparation of the draft audit report will not impair independence.</p> <p>Q. Send the draft financial statements to the College and obtain the College's approval:</p> <p>1. Date sent to College _____</p> <p>2. Date College approved _____</p>	C				
	C,E				

COMMUNITY COLLEGE Sample College**June 30, 2016****COMPLETION OF AUDIT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
R. Determine and document type of opinion rendered for each opinion unit and on compliance, if applicable. Document reasons for variances from unmodified opinion and discuss the reasons with those charged with governance.	C,D				
S. Perform analytical procedures for overall review of financial statements. Document the consideration of the following:	C				
1. The adequacy of evidence gathered in response to unusual or unexpected balances identified in planning the auditor in the course of the audit.					
2. Unusual or unexpected balances or relationships that were not previously identified.	C				
T. Conduct an exit conference with the College, including its audit committee if possible.	E				
1. Discuss comment and recommendation process.					
2. Stress preliminary nature of exit pending subsequent in-office work and review.					
3. Document communication of material, nonmaterial, reportable and non-reportable items.					
4. Audit and accounting problems affecting the audit bill.					
U. Obtain written representation letter.	A				
1. Modify, as necessary, for related party/business transactions, federal financial assistance program representations, work of a specialist, supplementary information, required supplementary information and/or other items.					
2. Prepared on the College's letterhead.					
3. Dated same date as the auditor's reports as determined in AU-C 700.41.					
V. Complete the budget and time summary, including explanation of significant variances from budget and recommendations for next year.					

COMMUNITY COLLEGE Sample College**June 30, 2016****COMPLETION OF AUDIT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>W. Determine the appropriate date of the auditor's reports. In accordance with AU-C 700.41, the auditor's report should not be dated earlier than the date on which the auditor has obtained sufficient evidence to support the opinion. Sufficient evidence includes evidence the audit documentation has been reviewed and the financial statements, including disclosures, have been prepared and management has asserted that it has taken responsibility for the financial statements.</p> <p>X. Determine and include footnote disclosures, if necessary, for subsequent events occurring between end of fieldwork and the date of the auditor's report. (May require verbal update of attorney letter, review of subsequent minutes and auditee inquiry.)</p> <p>Y. Submit the Data Collection Form and reporting package to the Federal Clearinghouse within 30 days after issuance of the audit report.</p> <p>Z. Major Federal Program Subsequent Events</p> <ol style="list-style-type: none"> 1. Perform procedures up to the report date to identify subsequent events related to the College's compliance during the period covered by auditor's report on compliance: <ol style="list-style-type: none"> a. Inquire of management. b. Review relevant internal audit reports issued during the subsequent period. c. Review other auditors' reports issued during the subsequent period. d. Review grantors and pass through entities reports issued during the subsequent period. e. Review information about noncompliance obtained through other professional engagements performed for the College. 2. If the auditor becomes aware of noncompliance occurring in the subsequent period of such a nature and significance its disclosure is needed to prevent report users from being misled, discuss the matter(s) with management and those charged with governance and include an explanatory paragraph describing the nature of the noncompliance in the auditor's report. 	F				

June 30, 2016

COMPLETION OF AUDIT

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p><u>ALTERNATE/ADDITIONAL PROCEDURES:</u></p> <p><u>CONCLUSION:</u></p> <p>We have performed procedures sufficient to achieve the audit objectives for the completion of the audit and the results of these procedures are adequately documented in the accompanying workpapers.</p> <p>Incharge _____ Date _____ Manager _____ Date _____ Independent Reviewer _____ Date _____</p>					

COMMUNITY COLLEGE Sample College

June 30, 2016

AUDIT AND ACCOUNTING PROBLEMS

[illegible]

COMMUNITY COLLEGE Sample College

June 30, 2016

CONFERENCES

[illegible]

COMMUNITY COLLEGE Sample College**June 30, 2016****SIGNIFICANT FINDINGS
FROM THE AUDIT**

IN ATTENDANCE:

<u>College</u>		<u>Auditor</u>	
Name	Title	Name	Title
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

The auditor should communicate significant findings from the audit with those charged with governance, including the following matters (AU-C 250.21, AU-C 260.12 through AU-C 260.14).

(A) Accounting Policies

Significant accounting policies used by the College are described in Note 1 to the financial statements. Except as noted below, no new accounting policies were adopted and the application of existing policies was not changed during the fiscal year. Except as noted below, we noted no instances where an otherwise acceptable accounting practice is not appropriate to the circumstances of the College.

Exceptions:

(B) Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility future events affecting them may differ significantly from those expected. We evaluated key factors and assumptions used in the significant estimates used by the College in determining the reasonableness in relation to the financial statements taken as a whole.

List significant estimates:

(C) Difficulties Encountered in Performing the Audit

Except as noted below, we encountered no significant difficulties in dealing with management in performing and completing our audit.

Exceptions:

COMMUNITY COLLEGE Sample College**June 30, 2016****SIGNIFICANT FINDINGS
FROM THE AUDIT****(D) Nonaudit Services**

We have met the requirements for performing nonaudit services under paragraphs 3.37 and 3.39 of the 2011 Yellow Book. Except as noted below, no nonaudit services were performed.

Exceptions:

(E) Uncorrected Misstatements

We have provided management with a listing of all uncorrected misstatements identified during the audit, in the management representation letter. In our judgment, none of the uncorrected misstatements, either individually or in the aggregate, indicate matters that could have a significant effect on the College's financial reporting process.

(F) Disagreements with Management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting or auditing matter that could be significant to the financial statements or the auditor's report. Except as noted below, no such disagreements arose during the course of our audit.

Exceptions:

(G) Corrected Misstatements

The following corrected misstatements were brought to the attention of management as a result of audit procedures performed:

(H) Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If consultation involves application of an accounting principle to the College's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine the consultant has all the relevant facts. Except as noted below, there were no such consultations with other accountants.

Exceptions:

COMMUNITY COLLEGE _____ **Sample College**

June 30, 2016

SIGNIFICANT FINDINGS
FROM THE AUDIT

(I) Significant Issues

Significant issues arising from the audit that were discussed, or were the subject of correspondence, with management.

List any significant issues:

(J) Comments

We have provided our written comments and recommendations regarding the College's financial statements and operations, including matters involving noncompliance with laws and regulations.

NOTE: Information discussed during the exit conference is confidential until the audit report is released.

Acknowledgement:

Governing Body Representative

Date

June 30, 2016

ITEMS FOR COMMENT-
STATUTORY AND OTHER LEGAL MATTERS

[illegible]

1 – Reported in Findings Related to the Financial Statements.

2 – Reported in Other Findings Related to Required Statutory Reporting.

COMMUNITY COLLEGE Sample College**June 30, 2016****ITEMS FOR COMMENT**
INTERNAL CONTROL

The following guidance should be used by the auditor to evaluate the control deficiencies identified (AU-C 265):

Definitions:

Deficiency in Internal Control – exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

Significant Deficiency – a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Material Weakness – a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis.

Reasonable Possibility – exists when the likelihood of the event is either reasonably possible (chance of future event or events occurring is more than remote but less than likely) or probable (future event or events are likely to occur).

Magnitude – refers to the extent of the misstatement that could have occurred, or actually occurred, since misstatements include both potential and actual misstatements.

Factors that affect the magnitude of a misstatement that might result from a deficiency or deficiencies include, but are not limited to, the following:

- The financial statement amounts or total of transactions exposed to the deficiency.
- The volume of activity (in the current period or expected in future periods) in the account or class of transactions exposed to the deficiency.

Risk factors affect whether there is a reasonable possibility a deficiency, or a combination of deficiencies, will result in a misstatement of any account balance or disclosure. The factors include, but are not limited to, the following:

- The nature of the financial statement accounts, classes of transactions, disclosures and assertions involved.
- The cause and frequency of the exceptions detected as a result of the deficiency, or deficiencies, in internal control.
- The susceptibility of the related asset or liability to loss or fraud.
- The subjectivity, complexity or extent of judgment required to determine the amount involved.
- The interaction or relationship of the control(s) with other controls.
- The interaction with other deficiencies in internal control.
- The possible future consequences of the deficiency, or deficiencies, in internal control.
- The importance of the controls to the financial reporting process.

[illegible]

2) (AU-C 265.10) For a deficiency or combination of deficiencies not considered a material weakness by the auditor, did the auditor consider whether prudent officials having knowledge of the same facts or circumstances would likely reach the same conclusion? _____ Yes

COMMUNITY COLLEGE Sample College

June 30, 2016

COMMENT WORKSHEET**COMMENT TITLE:****CFDA
No.****DONE BY** _____ **Discussed with** _____ **W/P Ref.** _____**Repeat of prior year finding?** _____ **Yes** _____ **No****If yes, was it included in report?** _____ **Yes** _____ **No****Include in current year report?** _____ **Yes** _____ **No****BACKGROUND****CONDITION NOTED****STANDARD USED (CRITERIA)****CAUSE****EFFECT****RECOMMENDATION****REMARKS:**

COMMUNITY COLLEGE Sample College

June 30, 2016

ITEMS FOR NEXT YEAR

[illegible]

This form should be used to accumulate known audit differences by opinion unit detected by non-sampling substantive tests (including differences in accounting estimates) and projected audit differences from substantive tests that used sampling. A separate Audit Difference Evaluation Form should be maintained for each opinion unit. Use whole dollars only.

			Financial Statements Effect -Amount of Over (Under) Statement of:						
Description (Nature) of Audit Difference	Amount	Work- paper Ref.	Total Assets	Total Liab.	Fund Equity	Revenues	Expend.	Excess of Rev. over Expend. (a)	Working Cap. (b)
Unadjusted audit differences - this year									
Effect of unadjusted audit differences – last year									
Net audit difference									
Financial statement caption totals									
Net audit differences as a % of F/S captions									

- (a) For a proprietary fund type, this column would show the effect on net income. Planning Materiality \$
- (b) This column would only be used for a proprietary fund type.
- Are any of the audit differences identified above indicative of fraud?

(If yes, contact the Manager.)

Yes

No
- Are any of the audit differences qualitatively material?

(If yes, contact the Manager.)

Yes

No
- Are the audit differences individually or in the aggregate material?

Yes

No

COMMUNITY COLLEGE Sample College**June 30, 2016****OPINION, DISCLOSURES AND
OTHER REPORT INFORMATION****A. Independent Auditor's Report on the financial statements:**

1. Type of opinion rendered and reason for modification of opinion, if applicable

<input type="checkbox"/> Business Type Activities	U Q D A
<input type="checkbox"/> Aggregate Discretely Presented Component Units	U Q D A
2. Reliance on opinion of other auditors properly included in the Independent Auditor's Report

Y N N/A

3. Required Supplementary Information (RSI) - Disclaim an opinion on the unaudited information (AU-C 730) (check applicable):

<input type="checkbox"/> MD&A	<input type="checkbox"/> OPEB - Funding Progress
<input type="checkbox"/> Proportionate Share Of Net Pension Liability	<input type="checkbox"/> Contributions Schedule
<input type="checkbox"/> Other _____	
4. Supplementary information (SI) accompanying basic financial statements - Include an "in relation to" opinion (AU-C 725) (check if applicable):

<input type="checkbox"/> Budgetary Comparison
<input type="checkbox"/> Schedules #1 to #__ (including SEFA Schedule - Y or N/A)

Prior year information audited by whom and type of opinion(s) rendered
(for multiple opinions, please describe in the space below):

Years:

<input type="checkbox"/> _____ AOS	U Q D A
<input type="checkbox"/> _____ Other auditors	U Q D A

5. Other information (OI) (Normally applicable only for CAFR audits) – Disclaim an opinion on the unaudited information (AU-C 720) (check applicable):

<input type="checkbox"/> Introductory section	<input type="checkbox"/> Statistical section
<input type="checkbox"/> Other _____	

COMMUNITY COLLEGE Sample College**June 30, 2016****OPINION, DISCLOSURES AND
OTHER REPORT INFORMATION**

W/P Ref.	Item	Note No.
	B. Notes to Financial Statements:	
	Summary of Significant Accounting Policies	1
	Cash and Pooled Investments	2
	Inventories	
	Capital Assets	
	Termination Benefits	
	Pension and Retirement Benefits (IPERS)	
	Pension and Retirement Benefits (other than IPERS)	
	Other Postemployment Benefits (OPEB)	
	Anticipatory Warrants	
	Iowa School Cash Anticipation Program (ISCAP)	
	Changes in Long-Term Debt	
	Lease Purchase Agreements	
	Certificates Payable	
	Bonds and Notes Payable	
	Risk Management	
	Related Organizations	
	NJTP Programs	
	Contingencies	
	Commitments	
	Subsequent Events	
	Compensated Absences	
	Segment Reporting (Bond issues etc)	
	Scholarship/Discount Allowances	
	Accumulated Depreciation/Depreciation Expense	
	Self Insurance	
	Prior Period Adjustments	
	Interfund Transfers	
	Other	

COMMUNITY COLLEGE Sample College

June 30, 2016

**OPINION, DISCLOSURE AND
OTHER REPORT INFORMATION**

Y = Yes N = No N/A = Not Applicable

- C. IAR on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards:
- | | | | |
|---|----------|----------|-------------------|
| 1. Instances of material non-compliance | <u>Y</u> | <u>N</u> | <u> </u> |
| 2. Instances of non-material non-compliance | <u>Y</u> | <u>N</u> | <u> </u> |
| 3. No instances of non-compliance | <u>Y</u> | <u>N</u> | <u> </u> |
| 4. Significant deficiencies | <u>Y</u> | <u>N</u> | <u> </u> |
| 5. Material weaknesses | <u>Y</u> | <u>N</u> | <u> </u> |
- D. IAR on Compliance with Requirements For Each Major Federal Program and on Internal Control over Compliance Required by Uniform Guidance:
- | | | | |
|--------------------------------|---------------|----------|-------------------|
| 1. Instances of non-compliance | See next page | | |
| 2. Significant deficiencies | <u>Y</u> | <u>N</u> | <u> </u> |
| 3. Material weaknesses | <u>Y</u> | <u>N</u> | <u> </u> |
- E. Because this audit is being conducted under Chapter 11 of the Code of Iowa, Government Auditing Standards and Uniform Guidance, users of the report are presumed to be aware of the conditions under which the report is issued, including the requirements of state law that requires the report to be open to the public.
- F. Dollar threshold used to distinguish between Type A and Type B programs \$
- G. College qualified as low-risk auditee Y N

COMMUNITY COLLEGE Sample College**June 30, 2016****OPINION, DISCLOSURE AND
OTHER REPORT INFORMATION**

Compliance requirements :

	Major Program (CFDA #):				Major Program (CFDA #):			
	Requirement Tested	Findings reported in Part III of SFQC	Type of finding reported in Part III	Type of Opinion	Requirement Tested	Findings reported in Part III of SFQC	Type of finding reported in Part III	Type of Opinion
A. Activities Allowed or Unallowed	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
B. Allowable Costs/Cost Principles	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
C. Cash Management	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
D. Reserved	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
E. Eligibility	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
F. Equipment and Real Property	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
G. Matching, Level of Effort, Earmarking	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
H. Period of Availability of Federal Funds	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
I. Procurement, Suspension and Debarment	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
J. Program Income	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
K. Reserved	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
L. Reporting	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
M. Subrecipient Monitoring	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
N. Special Tests and Provisions	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A

U = Unmodified MNC = Material noncompliance

Y = Yes

Q = Qualified QC = Questioned Cost > \$25,000

N/A = Not applicable

D = Disclaimer SD = Significant Deficiency

NONE = None required to be reported

A = Adverse MW = Material Weaknesses

COMMUNITY COLLEGE Sample College**June 30, 2016****OPINION, DISCLOSURE AND
OTHER REPORT INFORMATION**

Compliance requirements :

	Major Program (CFDA #):				Major Program (CFDA #):			
	Requirement Tested	Findings reported in Part III of SFQC	Type of finding reported in Part III	Type of Opinion	Requirement Tested	Findings reported in Part III of SFQC	Type of finding reported in Part III	Type of Opinion
A. Activities Allowed or Unallowed	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
B. Allowable Costs/Cost Principles	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
C. Cash Management	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
D. Reserved	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
E. Eligibility	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
F. Equipment and Real Property	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
G. Matching, Level of Effort, Earmarking	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
H. Period of Availability of Federal Funds	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
I. Procurement, Suspension and Debarment	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
J. Program Income	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
K. Reserved	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
L. Reporting	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
M. Subrecipient Monitoring	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A
N. Special Tests and Provisions	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A	Y N/A	Y N/A	MNC, QC, SD, MW, NONE	U, Q, D, A

U = Unmodified MNC = Material noncompliance

Y = Yes

Q = Qualified QC = Questioned Cost > \$25,000

N/A = Not applicable

D = Disclaimer SD = Significant Deficiency

NONE = None required to be reported

A = Adverse MW = Material Weaknesses

June 30, 2016

CONFIRMATION CONTROL

[illegible]

* If confirmation is not received, alternative procedures are required.

June 30, 2016

WORKPAPER COPIES GIVEN
TO CLIENT AND
OUTSIDE PARTIES

[illegible]

COMMUNITY COLLEGE Sample College

June 30, 2016

PENDING MATTERS

[illegible]

COMMUNITY COLLEGE Sample College

June 30, 2016

REVIEW NOTES

[illegible]

COMMUNITY COLLEGE Sample College**June 30, 2016****INCHARGE REVIEW QUESTIONNAIRE**

QUESTION	YES	NO	N/A
<ol style="list-style-type: none"> 1. Was the scope of our audit in accordance with our audit plan? 2. Have you informed the Manager of all identified problems and internal control weaknesses that resulted in significant modification in the audit program, and have you obtained the Manager's concurrence with the modifications? 3. Have you gathered enough evidence to satisfy the audit program objectives? 4. Are you satisfied the evidence gathered does not disclose suspicions of abuse, fraud, violations of statutory, regulatory and contractual provisions, or other illegal acts other than those noted in the statutory comments of the report? 5. Are you satisfied we have a reasonable basis for the expression of an opinion on each opinion unit and that the workpaper documentation supports the opinion we are expressing on the financial statements? 6. Are you satisfied with the results of the limited procedures performed for required supplementary information, supplementary information and other information, if applicable? 7. Are you satisfied there is not substantial doubt about the College's ability to continue as a going concern, or if there is substantial doubt, the appropriate disclosures were made and an explanatory paragraph was included in the Independent Auditor's Report? 8. Are you satisfied we have a reasonable basis for and the workpapers support our statement in the Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting for instances of non-compliance required to be reported under <u>Government Auditing Standards</u>? 9. Are you satisfied we have a reasonable basis for expressing an opinion on the College's compliance with the compliance requirements applicable to major federal programs? 10. Are you satisfied we have obtained an adequate understanding of the design of internal controls, determined whether these controls have been implemented and assessed control risk? 11. Are you satisfied we have reduced the detection risk to a reasonable level? 12. Have all applicable items on the audit planning, questionnaires and audit program been completed and workpapers properly indexed and signed or initialed by those doing the work? 13. Have all significant unusual or unexpected balances or relationships noted during planning or the course of the audit been adequately investigated and documented? 14. Has the work of all assistants been thoroughly reviewed? 15. Have review notes been adequately resolved? 			

COMMUNITY COLLEGE Sample College**June 30, 2016****INCHARGE REVIEW QUESTIONNAIRE**

QUESTION		YES	NO	N/A
16.	Are you satisfied the planned level of risk material misstatement due to fraud or error did not increase based on the accumulated results of the audit procedures performed during fieldwork? (AU-C 240.34)			
17.	Has there been appropriate communication with other audit team members throughout the audit regarding information or conditions indicative of risks of material misstatement due to fraud or error?			
18.	Have you documented the success and/or failures of procedures performed based on the planned risk assessment in the items for next year section?			
19.	Have you discussed with College officials and prepared draft comments or memoranda regarding communication of the following to the College:			
	a. Management suggestions?			
	b. All significant deficiencies and material weaknesses in internal controls we observed?			
	c. All immaterial items noted during our audit?			
	d. Non-compliance with any statutory, regulatory or contractual requirements?			
	e. Any instances of fraud or indications fraud may exist?			
	f. Auditor's Reports on financial statements, compliance and internal controls?			
20.	Has the audit report routing sheet:			
	a. Been completed and signed off?			
	b. Been completed for the report distribution section, including addresses for non-client report recipients?			
21.	Has the news release draft been completed?			
22.	Has a list been prepared of all significant pending matters which must be cleared before issuing the report?			
23.	Has the Manager been informed of all pending matters?			
24.	Have required engagement evaluation reports been completed by the appropriate person(s)?			
25.	Are you satisfied all audit work complied with professional standards and office policies?			
26.	Have all electronic workpapers been properly stored on the network?			

COMMUNITY COLLEGE Sample College

June 30, 2016

INCHARGE REVIEW QUESTIONNAIRE

QUESTION		YES	NO	N/A
<u>COMMENTS</u> (required for "No" answers):				
Incharge _____ Date _____				
Manager _____ Date _____				
Independent Reviewer _____ Date _____				

COMMUNITY COLLEGE Sample College**June 30, 2016****MANAGER REVIEW QUESTIONNAIRE**

QUESTION	YES	NO	N/A
A. General			
1. Have you reviewed the workpapers and do you concur with the conclusions of the incharge?			
2. Have all exceptions noted on the Incharge Review Questionnaire been resolved?			
3. Are you satisfied:			
a. The audit program was properly modified for identified problems and internal control weaknesses?			
b. Required supplemental information, if applicable, has been obtained and limited testing procedures have been performed?			
c. The judgments and conclusions reached are supported by documented evidence?			
d. Appropriate changes for the next audit, if any, have been summarized?			
e. All audit work conformed to the audit plan, scope and audit objective?			
f. Significant unusual or unexpected balances or relationships noted during planning or the course of the audit have been adequately investigated and documented?			
g. Nothing was noted that indicated an increased level of risk of material misstatement due to fraud or error?			
4. Do the workpapers include adequate documentation as to:			
a. Changes in accounting policies?			
b. Conformity with U.S. generally accepted accounting principles or a different basis of accounting, if appropriate?			
c. Conformity with U.S. generally accepted government auditing standards?			
d. Conformity with statutory, regulatory and contractual provisions?			
e. Adequacy of disclosure?			
f. Compliance with office policies?			
5. Have applicable questionnaires been completed?			
6. Have all applicable procedures been performed and signed off?			
7. Have all review comments been cleared with adequate documentation of disposition?			
8. Have required performance evaluations been completed?			
9. Have all electronic workpapers been properly stored on the network?			

COMMUNITY COLLEGE Sample College**June 30, 2016****MANAGER REVIEW QUESTIONNAIRE**

QUESTION	YES	NO	N/A
<p>B. Financial Statements and Audit Report</p> <ol style="list-style-type: none"> 1. Are the financial statements adequately referenced to footnote disclosures? 2. Are the dates of the financial statements correct? 3. Are all material facts disclosed which are necessary to not make the financial statements misleading? 4. Have all material and/or special or extraordinary subsequent events been evaluated and properly disclosed? 5. Is there adequate documentation in the workpapers to support the footnotes? 6. Do the footnotes clearly explain the facts? 7. Is the nature of each financial statement clearly indicated by its title? 8. Do the financial statements maintain a uniform manner of format, capitalization, headings and appearance in general within itself? 9. Is our audit report addressed to the proper party? 10. Does our opinion for each opinion unit properly state the responsibility we wish to assume? 11. Has adequate audit work been performed to support the opinion on the financial statements we are rendering? 12. Is the report dated in accordance with AU-C 700.41? 13. Is any data in the footnotes that requires special mention, with respect to the date of our report, appropriately reflected in the date of our report? 14. Is our opinion on the supplementary financial information proper and supported by our audit? 15. Are disclosures in each opinion unit financial statements and notes to financial statements adequate and do they clearly communicate the facts? 16. Have you performed final analytical procedures, including a comparison of the financial statements to the prior year? 17. Are you satisfied the audit did not disclose any suspicions of fraud, violations of statutory, regulatory and contractual provisions or other illegal acts other than those noted in the statutory comments of the report. 18. Have the following been discussed with appropriate College officials and arrangements been made to get responses, if appropriate: <ol style="list-style-type: none"> a. Management suggestions? b. All significant deficiencies and material weaknesses in internal control we observed? c. All immaterial items? 			

COMMUNITY COLLEGE Sample College**June 30, 2016****MANAGER REVIEW QUESTIONNAIRE**

QUESTION	YES	NO	N/A
<ul style="list-style-type: none"> d. Non-compliance with any statutory, regulatory or contractual requirements? e. Any instances of fraud or indications fraud may exist? f. Auditor's Report? 			
19. Have you sent the draft financial statements to the College and received written approval of the financial statements?			
C. IAR on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards:			
1. Has adequate work been performed to support our statement on instances of non-compliance required to be reported under Government Auditing Standards?			
2. Have appropriate exceptions been noted for items of non-compliance?			
3. Has adequate audit work been performed to support:			
a. Our understanding of internal controls?			
b. The determination of whether these controls have been implemented?			
c. Our assessment of control risk?			
4. Have all significant deficiencies and material weaknesses been disclosed?			
D. IAR on Compliance for each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance:			
1. Has adequate audit work been performed to support the opinion we are giving on compliance with compliance requirements applicable to major federal programs?			
2. Have appropriate exceptions been noted for items of non-compliance?			
3. Has adequate audit work been performed to support:			
a. Our understanding of internal controls?			
b. The determination of whether these controls have been implemented?			
c. Our assessment of control risk?			
4. Have all significant deficiencies and material weaknesses been disclosed?			
E. Report Production			
1. Has the report routing sheet been completed?			
2. Does the draft audit report comply with professional and office reporting standards?			

COMMUNITY COLLEGE Sample College**June 30, 2016****MANAGER REVIEW QUESTIONNAIRE**

QUESTION		YES	NO	N/A
3. Has a copy of the completed routing sheet, including the report release date, been filed in the workpapers? <u>COMMENTS</u> (required for "No" answers):				
Manager	_____			
	Date _____			
Independent Reviewer	_____			
	Date _____			

COMMUNITY COLLEGE Sample College**June 30, 2016****INDEPENDENT REVIEW QUESTIONNAIRE**

QUESTION	YES	NO	N/A
1. Is the audit evidence and documentation for all significant unusual or unexpected balances or relationships noted during planning or the course of the audit adequate?			
2. Have you reviewed the audit conclusions on all material items in the financial statements?			
3. Have all review notes been adequately resolved?			
4. Have you reviewed and do you concur with the Incharge Review Questionnaire?			
5. Have you reviewed and do you concur with the Manager Review Questionnaire?			
6. Based on your review, are the financial statements fairly presented?			
7. For any significant unusual or unexpected balances or relationships noted in your review of the audit report that were not previously identified, has adequate audit evidence and documentation been obtained?			
8. Do the financial statements, supplementary information and the comments and recommendations appear to be materially correct?			
9. Is the required supplementary information (RSI) included, if applicable, and has it been evaluated for reasonableness?			
10. Is the auditor's report on financial statements appropriate, based on our audit and the financial statement presentation?			
11. Is the auditor's report on internal control over financial reporting and on compliance and other matters appropriate, based on our audit?			
12. Is the auditor's report on compliance for each major federal program and on internal control over compliance appropriate, based on our audit?			
13. Does the draft audit report comply with professional and office reporting standards?			
<u>COMMENTS</u> (required for "No" answers):			
Independent Reviewer _____ Date _____			